WAMPUM and Letters Patent

Exploratory Study of Native Entrepreneurship

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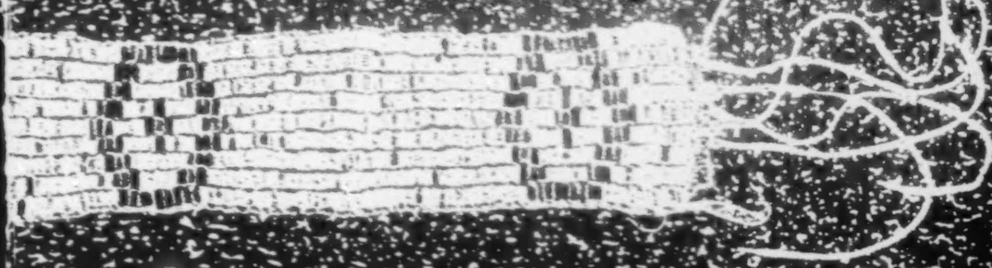

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WAMPUM AND LETTERS PATENT

Exploratory Study of Native Entrepreneurship

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Exploratory Study of Native Entrepreneurship

by
Harold Bherer,
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At the time of French colonization, the great invention of the Indians to compensate for the absence of writing techniques was "wampum".

Wampum was made up of a variety of fluvial or coastal shells, which were particularly abundant on the Atlantic coast, from Cape Cod to Cape Hatteras and, above all, on the shores of Long Island.

There were many uses for wampum. Indian money, it was used for barter, even for obtaining European money [...] Most Indian tribes used it to confirm titles of ownership, seal peace treaties, as archives for preserving the dates of great events, as a symbol of nobility, even for "buying back" a murder through payment to the victim's relatives.

Despite the official significance of these necklaces, it was difficult to resist using them as ornaments. The chiefs, and especially the women, were certainly well-outfitted and these were truly artistic creations that decorated their heads, necks and breasts.

R. Douville and J.-D. Casanova,
La vie quotidienne des Indiens du Canada
à l'époque de la colonisation française
(Daily Life of Indians in Canada at the time of French
Colonization), Paris, Hachette, 1967, pp. 44-47.

FOREWORD

Over the last 20 years Canada has experienced a regeneration of the dynamism of its entrepreneurs and its businesses, especially small and medium-sized businesses. In certain parts of the country, such as Quebec, we have witnessed a genuine rebirth of the entrepreneurial spirit together with a reassertion of the value of the social role played by business people. A new social and economic climate favourable to enterprise has brought about the creation of new businesses, a better performance of existing small- and medium-sized businesses and the modernization of management philosophies.

It quickly became evident that enterprise was deeply influenced not only by surrounding conditions but also, and most importantly, by the dominant culture, and that it was above all a matter of individuals. A number of studies have demonstrated this phenomenon, and Canada, with its ethnic differences and its regional disparities, has been a particularly fertile terrain for this type of investigation.

Nevertheless, up until now very little research has touched on this question in the native context. In view of the growing desire of the native peoples of Canada to take control of their destiny, it became necessary to know more about what could happen on certain reservations as concerns the economy and especially local enterprise. That is exactly what the study attempts to accomplish by underscoring the distinctive elements of native business dynamics on several Quebec reservations. On the basis of an extremely pertinent introduction to the socio-economic and cultural environment of the chosen terrains, while taking into account the numerous institutional constraints experienced by Canadian Indians, the study brings out the characteristics and the profiles of native entrepreneurs and businesses, rapidly revealing what is at stake in the process of creating businesses in the native milieu.

Wampum and Letters Patent shows us once again that entrepreneurship is a process that is closely related to local culture and that any effort to promote it will have to follow a procedure that takes into account those who are most concerned as well as the distinctive characteristics of the milieu. Furthermore, this study confirms the existence of problems faced by the majority of small- and medium-sized businesses, whatever their situation; in the context of native peoples, however, certain solutions suggested elsewhere can turn out to be inadequate and even harmful in the long run.

On the whole, it is seen that this rigorous and well-conducted investigation is timely and fits perfectly within the framework of the numerous studies carried out by the Institute for Research on Public Policy concerning separatist tendencies of the native peoples of Canada. We are convinced that it will be useful not only to those responsible for formulating government policies, but also to native entrepreneurs themselves and to those who want to help and support them.

Finally, we would like to thank the Donner Canadian Foundation for having contributed financially to the carrying out of this study.

Rod Dobell
President

October 1990

AVANT-PROPOS

Le Canada a connu au cours des 20 dernières années une revitalisation du dynamisme de ses entrepreneurs et de ses entreprises, en particulier des petites et moyennes entreprises. Dans certains coins du pays, au Québec par exemple, on a assisté à une véritable renaissance de l'esprit entrepreneurial conjugué à une revalorisation du rôle social joué par les gens d'affaires. Un nouveau climat social et économique favorable à l'entrepreneuriat a entraîné la création de nouvelles entreprises, une meilleure performance des PME existantes et la modernisation des philosophies de gestion.

On a vite constaté que l'entrepreneuriat était profondément influencé non seulement par les conditions environnantes, mais aussi et surtout par la culture dominante, et qu'il était avant tout une affaire d'individus. Plusieurs études ont démontré ce phénomène, et le Canada avec ses différences ethniques et ses disparités régionales a été un terrain particulièrement fertile à ce genre d'exploration.

Cependant, à ce jour, très peu de recherches ont abordé cette problématique en milieu autochtone. Compte tenu du désir grandissant des peuples autochtones du Canada de prendre leur destinée en main, il devenait nécessaire de mieux connaître ce qui pouvait se passer dans certaines réserves du point de vue économique et surtout de l'entrepreneuriat local. C'est précisément ce que cette étude tente de faire en mettant en évidence les éléments distinctifs de la dynamique entrepreneuriale autochtone dans quelques réserves du Québec. À partir d'une présentation fort pertinente de l'environnement socio-économique et culturel des terrains choisis, tout en prenant en considération les nombreuses contraintes institutionnelles de l'indianité canadienne, on y fait ressortir les caractéristiques et les profils des entrepreneurs et entreprises autochtones. On y décèle rapidement les enjeux du processus de création des entreprises en milieu autochtone.

La lecture de *Wampoum et lettres patentes* nous démontre encore une fois que l'entrepreneuriat est un processus fortement lié à la culture locale et que toute tentative pour le favoriser devra procéder selon une démarche qui tient compte des principaux intéressés et des particularités du milieu. Par ailleurs, cette étude confirme l'existence de problèmes auxquels la plupart des PME font face, peu importe leur situation; dans le contexte autochtone, cependant, certaines solutions proposées ailleurs peuvent être inadéquates et même dommageables à long terme.

Dans l'ensemble, on constate que cette recherche, bien menée et rigoureuse, arrive à temps et s'inscrit parfaitement dans la lignée des nombreuses études effectuées par l'Institut de recherches politiques sur les tendances autonomistes des peuples autochtones du Canada. Nous sommes convaincus qu'elle sera utile non seulement aux responsables de la formulation des politiques gouvernementales, mais aussi aux entrepreneurs autochtones eux-mêmes et à ceux qui veulent les aider et les soutenir.

Qu'il nous soit permis enfin de remercier la Fondation canadienne Donner pour avoir contribué financièrement à la réalisation de cette étude.

Rod Dobell
Président

Octobre 1990

ACKNOWLEDGEMENTS

Successful completion of this study would not have been possible without the diligence and cooperation of many people. First, we thank the Donner Canadian Foundation for financing this research and the Canadian Institute for Research on Public Policy which lent its support and assistance. SAGMAI and INAC's Northern Studies Fund also made financial contributions to this study, for which we are grateful.

Our warmest thanks, however, go to the native people themselves, the entrepreneurs, administrators, members of families and communities, who openly received us and patiently answered our questions. The research method itself called for discussion and communication; the native people willingly cooperated, despite their preoccupations and daily concerns. We hope the results we achieved will contribute to their progress and generate greater awareness of the efforts they continue to make towards the economic, social and political advancement of their people.

The research officers made a significant contribution to the quality and interest of this study. The original nature of the project called for both creativity and rigour, both patient reflection and diligence. At various stages, Jean-Paul Ouellet, Marie Drolet, Bernard Rousseau, Gary Umbrich, Claire Bibaud and Anne-Marie Day assisted in the work's progress, as well as in the analysis and reflection.

At Laval University, professors Gérald d'Amboise, Yvon Gasse and Jean-Jacques Simard also contributed to the start-up or organization of this study, as did Professor Jacques Kurtness of the Université du Québec à Chicoutimi and Professor Pierre-Éric Tixier of the Université de Paris. In addition, the Consulting Committee of the Small and Medium-sized Business Program of the Institute for Research on Public Policy of Canada lent its moral support and judicious advice. Also at INAC, the officers responsible for files related to the sites studied in our project showed tremendous cooperation. Monique Meilleur actively participated in project administration and, with Nicole Lachance and Micheline Tremblay-Giroux, in the typing and presentation of the manuscript.

The English version would not have been possible without the Economic Development Sector of the Department of Indian and Northern Affairs, which completely—and very competently—translated the original manuscript.

To all these people, the authors extend their deepest thanks.

INTRODUCTION

Two phenomena reached their respective summits at the beginning of the 20th century. One was the rule of colonial empires and the other was the State as the driving force of society. Nevertheless, these same two phenomena have been called into question in the last part of the century by decolonization and the new vigour—ideological, financial and political—of the business venture, or enterprise.

In fact, the various States of former colonial powers have yielded their place less to new native States than to various forms of enterprise, from monopoly to small business. The phenomenon first arose in the Third World, but has spread to the very heart of developed countries. We are now witnessing the crisis of the protector-State, its questioning in the name of freedom, and the ability of, and need for, the entrepreneur and the enterprise to resolve social problems. Feared or envied, at times reviled but also praised, the enterprise in all its different forms, from the multinational corporation to the individual venture, has become the central institution of our society.

The fall of colonial empires and the rise of the enterprise: does this late-century image correspond to the reality of Canada's native people, the Amerindians and Inuit? At first sight, we would be led to answer no, especially in light of the recent failure of the constitutional talks, in which Canada's first ministers did not agree to entrench the rights of aboriginal peoples in the Canadian Constitution. This failure is amplified by the mode of contact between private enterprise, on the one hand, and native people on the other—a contact which is too often destructive of cultures, ways of life and nature itself, from the fur trade to development of resources, such as forestry, petroleum and hydro-electric power. Has the enterprise as we know it, with its commitment to profitability, not always been fundamentally foreign to native culture?

In spite of these real and difficult problems, native people have made significant accomplishments. Through their own methods and their own sense of organization and consensus, native people are paving the way towards greater independence; they have already begun to acquire the tools they need for their freedom and their independent development.

This work describes a certain part of these efforts. It deals with the native enterprise and, in particular, with the most essential resource, the driving force behind the enterprise: the entrepreneur himself. What motives drive the native Indian, as individual, family or collective, to start up a business, and what types of organization, arrangement and compromises will be required for a successful venture?

Given our current state of knowledge, we could only hope to shed light on this question in a modest and exploratory manner. Three sites were selected for this study, with a fourth, distinctly different from the others, to serve as a reference: Wendake, a Huron village at Lorette, near Quebec City; Mashteuiatsh (Pointe-Bleue), at Lac-Saint-Jean West; Mingan, on the Lower North Shore; and Kuujjuaq, in Inuit territory. The reader will recognize that these four communities are situated on a geographical continuum, the extremes of which are Wendake, located next to a large metropolitan centre, and Kuujjuaq, a remote northern centre inaccessible by road or rail. Mashteuiatsh and Mingan are intermediate situations, the former located in a peripheral area, but equipped with excellent infrastructures and easily accessible, whereas Mingan has only recently become accessible by road.

In these environments, we sought out enterprises and entrepreneurs. With the approval, assistance and often friendly collaboration of individuals and groups, we enumerated, analyzed and listened. Our questions were direct and the answers were frank. We are indebted to the native people for so openly accepting this research and we sincerely hope that it will be useful to them. We also benefitted from the previous studies and patient work of many Québécois anthropologists and sociologists, often carried out in difficult conditions, at a time when native people were unwilling to communicate, tired of not being listened to. These pioneering works and the recent contribution of some specialists on legal and economic issues, combined with the studies of commissions or task forces, provided us with an inestimable source of information and ideas.

The importance of the enterprise in the native context—or its aberration—cannot be fully understood without considering the legal aspects of economic development on Indian reserves; similarly, the intervention strategies and the very mission of the Department of Indian and Northern Affairs are determining factors. Chapter I will be devoted to this background of Canadian "Indianness"[1] and its influence on the economy and the enterprise. In the second chapter, these initial elements will allow for a better understanding of our subject, the methods used to investigate it and the limits of our study.

We devote the second part of the work to a presentation of the sites, as perceived during our investigation, in the form of brief monographs, concentrating on native entrepreneurship. Wendake, Mashteuiatsh and Mingan are presented in chapters III, IV and V, followed by conclusions about comparable elements between these three communities.

The third part of this work will present the data transversally and propose paths for analysis. Chapter VI begins by describing native entrepreneurs and start-up motives, the experiences of entrepreneurs, the obstacles encountered and how our respondents have resolved them. In conclusion, this chapter proposes an interpretation of these results based on the model of native acculturation refined by Professor Jacques Kurtness. Chapter VII is concerned with the native entrepreneur as manager and describes how classical functions (finance, marketing, accounting, etc.) are exercised in the native enterprise. Here again, paths for interpretation will be proposed to allow for a better understanding of the priority given to certain functions over others. Chapter VIII ends the third part by comparing our overall observations to the model of Kuujjuaq, to illustrate the study's contextual elements. Conclusions are then presented in the form of questions arising from our observations, which suggest some recommendations concerning native entrepreneurs, band councils and all Canadians.

Though logical, this presentation structure has obvious limitations: the nature of our subject may attract readers of very different perspectives to this work. Researchers preoccupied with methodological questions will certainly not be surprised by the in-depth treatment of such questions in chapter II: in the extreme, they might wish for greater depth, whereas native administrators, oriented more towards results and practical issues, will instead find such expositions tedious and of little use. On the other hand, they will undoubtedly recognize, along with jurists, that our subject could not be defined and illuminated in all its significance without a preliminary discussion of the institutional and legal framework, which seems so influential to the fate of native business. Small- and medium-sized business specialists, for their part, may be surprised by the length of such expositions and the attention paid to the monographs, if these elements seem to delay the treatment of the real subject of this study, the native enterprise.

Nevertheless, the structure we used seemed most likely to do justice to both the complexity of the subject and native reality itself. The scope given to each of the themes discussed attempted to take into account the expectations of readers with such varied perspectives and its significance in the general context of the study. Furthermore, the chapters were written to allow impatient readers to turn directly to themes of more interest to them, and the table of contents was structured in detail to serve as a reader's guide.

NOTES

1 Though not found in the dictionary, the term "Indianness" is nevertheless very convenient and is gaining in currency. It is the direct counterpart of "Frenchness", which is indeed found in the dictionary. Consequently, "Indianness" will be used throughout the text without quotation marks.

THE RESEARCH BASE

CHAPTER I

INSTITUTIONAL CONSTRAINTS ON ABORIGINAL CANADIANS

In recent years, two rather unrelated phenomena have helped bring to light the institutional and legal constraints which hinder the development of native communities in Canada. The first relates to the increased intervention of native people themselves, whose more united, more harmonious voices, have made a more successful case for what are commonly known as "claims". This term may lead some to believe that the First Nations are claiming privileges that are refused to other Canadians.

The second phenomenon has illustrated the abusive nature of this perspective. In the wake of constitutional reform and the discussion of native land rights, a certain number of committees, investigative commissions or study groups have been created; their cumulative effect contributes to shedding a different light on these delicate questions. These studies show, on the contrary, that the goal of native claims is to obtain a situation for members of First Nations comparable to that already enjoyed by other Canadians. On the economic level in particular, the various grant programs and even the preferential tax treatment could not successfully correct the unfavourable situation imposed on native entrepreneurs in the current institutional context.[1]

Conclusions such as these show how important it is, in studying native entrepreneurship, to clearly and systematically present the main effects of the institutional context. Like the previous studies, these more recent commissions and task forces have only delivered partial views in this respect.[2] Various elements were brought to light and given in-depth treatment, but always in the specific context of each study, often distanced from the entrepreneurial perspective, so that none of them provided an overall, systematic presentation, nor focused on the central question of the development of native enterprises.[3]

Consequently, from the time this investigation began, an overall, systematic presentation of these elements seemed necessary, not only for studying the factors involved in the start-up and success of native enterprises, but also for presenting the problem in all its complexity. This first chapter aims at satisfying this condition by establishing an adequate picture of the effects of the Canadian institutional context on the development of native enterprise.

Though a survey of this kind may seem indispensable for better understanding the nature and scope of our subject, it cannot serve as a substitute for it, neither in collecting nor analyzing data, nor in the conclusions that may result. Consequently, we wrote this chapter based on secondary data, drawn from the various studies already mentioned. It in no way represents a verification of these data, nor even an analysis of their conclusions; our team obviously did not have the necessary resources for such a procedure. Our work consisted instead of collecting, from the various studies, the different elements related to institutional effects on the development of enterprises; we then categorized these elements or, where this seemed impossible, made the necessary syntheses for an overall, systematic understanding.

In the same vein, we must also emphasize the chance nature and the ideological connotations that may easily influence the assessment of these complex questions. However, these risks must be assumed, given the multiple and divergent interests involved, added to the "basic" ambiguities (in other words, inherent in the native condition), which open the door to multiple interpretations. Consequently, we must be very cautious in reading the conclusions of this first procedure, which is hazardous but necessary, to better understand the effects of the institutional context on the development of native enterprise.

Since the Indian Act is fundamental with respect to these questions, our analysis will deal first with the economic effects of the Act and the regulations attached to it. Secondly, the analysis will deal with the type of administration resulting from the Act: the intervention strategies developed by the Department of Indian and Northern Affairs, on one hand, and the economic roles and functions assigned to band councils, on the other.

THE INDIAN ACT[4]

By virtue of the British North America Act of 1867, the Canadian Parliament has the power to create laws affecting "Indians and the lands reserved for them." The Indian Act, the first homogeneous act concerning aboriginal peoples, adopted in 1876, represents the basic context in which the government exercises its power with respect to Indians. Despite the various amendments it has been subject to, its main features have stayed the same: it contains a definition of the status, legal rights and areas of jurisdiction assigned to Indians, affecting administration, education, reserves, band government and the management of Indian assets. Because it encompasses the provisions of numerous treaties, the Indian Act regulates the life of Indians from birth until death and delimits community activities in all sectors.

This Act also stipulates the duties and responsibilities of the Department of Indian and Northern Affairs, which must oversee all issues affecting Indians, Inuit and the two Northern territories. Although the Indian Act does not include the Inuit in its definition of Indians, in 1939, the Supreme Court of Canada decided that the Inuit were Indians as defined by article 91(24) of the British North America Act; since this decision was made, the federal government's power to introduce acts dealing with "Indians and the lands reserved for them" has been extended to the Inuit. Moreover, the Constitution Act of 1982 recognizes four distinct groups of aboriginal Canadians: Registered Indians, Non-registered Indians, Inuit and Metis; however, in effect, the Department still limits itself to coordinating programs for Registered Indians and Inuit as defined by the Indian Act.

The Act defines a "registered Indian" as any person entered in or entitled to be entered in the Indian register, and "Inuit" as the aboriginal inhabitants of the Canadian North, who generally live in the Northwest Territories, Northern Quebec and Labrador.

A recent revision (1985) of the Act, to which we will return, was intended, among other things, to correct certain injustices towards Metis and Non-registered Indians, injustices which result in the legal definition of Indian status being too restricted.

The Indian Act also initiated the system of "bands" and "band councils" by replacing various forms of First Nations government. As a result, the band council became the only legally recognized Indian "governmental" organization. The council nevertheless holds "delegated" powers, in other words, it is not considered as a government which must be accountable to and draw its legitimacy from the band population, but as an administrative extension of the Department of Indian and Northern Affairs: the band council is a collective organization responsible for local administration.

The powers granted to bands and band councils are defined in the Indian Act and are limited to the powers specified in the Act; these powers are subordinate to federal acts and regulations and are subject to the discretion of the Department of Indian and Northern Affairs, not to mention "general provincial laws" which also restrict the powers of band councils.

Many practical problems have arisen from the antiquated nature of the Indian Act, as well as from its restrictions and numerous omissions; in the Department's opinion, the main difficulties relate to the Minister or Executive Council controlling the exercise of all powers, the control of lands, the Department's guardianship role over trust funds, to the lack of legislative powers of bands in the fields of social and economic development and, finally, to the legal status of band councils.[5]

In this situation, the decisions and interpretations of Canadian courts have concluded that bands may not own lands, no more than they may sue or be sued; the legal status of band councils not being clearly established, it is doubtful that they may legally make agreements with other legal entities. Consequently, all questions related to the legal capacity of bands and councils are currently judged separately, based on the law which applies in the circumstances (is a band a company? an administrative entity? an employer?). These uncertainties obviously affect all commercial transactions, as well as potential litigations concerning service contracts.

One way of getting around this problem would be for members of a band to form a company for doing business, owning land or performing other activities on behalf of the band. However, this solution presents further difficulties: since a company is not legally an "Indian", it cannot benefit from the tax exemption granted to Indians. Forming a company would also have far greater implications: the company's lands might not be considered "lands reserved for Indians" (by virtue of the constitutional act of 1867) and would then be subject to provincial laws instead of federal laws.[6]

This brief presentation gives an overview of the statutory characteristics of Canadian Indianness, which we will now examine in greater detail, focusing on its effects on native entrepreneurship. First we will deal with elements pertaining to ownership, personal and real property (personal property and control of lands) taxation and the applicability of provincial laws. This part will end with a brief presentation of the most recent attempts at revision.

Economic Aspects

Lands and Real Property

The federal government has the right of jurisdiction over the use of reserve lands and all transactions related to their lease or sale. Federal jurisdiction remains in effect until the land is sold and letters patent have been issued in the purchaser's name.

Consequently, reserve lands are not legally "Indian property," but fall under various, rather obscure categories: "a tract of land, the legal title to which is vested in Her Majesty, that has been set apart by Her Majesty for the use and benefit of a band," "surrendered lands," "a reserve or part of a reserve, or any interest therein, the legal title to which remains vested in Her Majesty, that has been released or surrendered by the band for whose use it was set apart." The Act creates these diverse categories of lands, with no further clarification of what it means to be "set apart." Complexities related to the administration and provision of "Indian lands" appear to be inextricable.

In short, the reserves are "extra-territorial enclaves" under the exclusive guardianship of the federal government, but still located in provincial territory.[7] It is obvious that this "ownership mode" leads to many ambiguities and supplementary procedures for bands and band members seeking to acquire certain parts of reserves or surrendered lands for setting up a business, even for obtaining the necessary titles.

Consequently, if the business is a sole proprietorship and the proprietor is a band member, then it will be possible for the business to set up on a tract of reserve land set aside for this purpose, with no need for surrender, permit or lease. The same advantage holds true if all proprietors associated with an enterprise are registered band members. However, if the sole proprietor or one of the associates is not a band member, or if the enterprise itself becomes a corporation by obtaining legal status, it may not set up on the reserve, unless it undertakes the measures required for non-Indians to occupy lands on a reserve.[8]

The native entrepreneur, therefore, cannot own a tract of land in the reserve for the purposes of setting up his business. However, if he chooses land bordering, but outside the reserve, he will lose the tax exemption privileges on his lands and property stipulated in article 87(a) and be subject to provincial laws and regulations.

This same entrepreneur, however, may obtain a certificate of possession, issued by the Department of Indian and Northern Affairs, but will be denied this if he associates with a non-Indian or constitutes his enterprise as a business corporation. In any case, he may only surrender this tract of land to the Department: consequently, there can be no mortgage, no seizure, no sale. One can easily imagine the effects of such stipulations on doing business, in particular, the limits to the growth of an enterprise. Yet these restrictions stem from the foundations of the Indian Act and affect more than just real property.

Personal Property

The Indian Act provides for special cases which prohibit seizures of an Indian's personal property on a reserve. Once again, these stipulations limit normal commercial transactions, such as pledges and other forms of loan or credit based on guarantees. Paragraphs 89(1) and (2) of the Act demand careful interpretation in this regard:

> Article 89(1)
> Subject to this Act, the real and personal property of an Indian or a band situated on a reserve is not subject to charge, pledge, mortgage, attachment, levy, seizure, distress or execution in favour or at the instance of any person other than an Indian.
>
> Article 89(2)
> A person who sells to a band or a member of a band a chattel under an agreement whereby the right of property or right of possession thereto remains wholly or in part in the seller may exercise his rights under the agreement notwithstanding that the chattel is situated on a reserve.

Consequently, certain seizures of Indian property located on a reserve are permitted by virtue of article 89, for example, a seizure to satisfy a judgement made in favour of another Indian. Article 89 also defines the scope of exemption for Indians, but includes no explicit provision for the application of seizures, property disputes and allowable satisfactions; this lack of clarity leads to acceptance of provincial provisions, which are the only ones available.[9].

It appears, then, that a non-Indian may not seize the personal and real property of Indians (land and buildings); however, stocks and equipment may be seized, provided the claimant holds a clear contract and is prepared to engage in lengthy, costly proceedings. It comes as no surprise, in this type of situation, that banking establishments regard the native enterprise as too risky and hesitate to support it. To obviate this inconvenience, the Department of Indian and Northern Affairs must intervene and offer certain financial services to native entrepreneurs, which we will study further on.

Before discussing the Department's strategies for neutralizing elements of the Indian Act which appear to have a negative influence on the development of enterprises, we must complete our survey of the economic effects of the Act by dealing with two popular themes: tax exemptions, and attempts at revising the Act itself.

Taxation

Tax Exemptions

In a period of oppressive taxation and government deficits, the tax exemption enjoyed by native people is often envied by other Canadians. What exactly is this exemption and how does this situation affect the development of enterprises?

Article 87 provides the basis for the tax exemption enjoyed by native people. Nevertheless, article 87 must be read in conjunction with article 90, which defines the notion of "Indian property", and article 83, which assigns a specific field of taxation power to band councils. The combined effect of these two articles limits the tax exemption to property situated "on a reserve" (article 90), representing the interest of an Indian or band on a reserve, or the surrendered lands or personal property of an Indian or band situated on a reserve. It is also stipulated that no Indian or band is subject to tax with respect to the ownership, occupation, possession or use of such property, nor to any form of taxation on any kind of property. The Act also prohibits the levying of estate tax on such property (article 87). Finally, it stipulates that exemption from taxes does not extend to the specific powers of taxation granted to the band council, from the time at which the band "has reached an advanced stage of development" (article 83).[10]

Consequently, members of First Nations are not free from all forms of tax as a result of the tax exemptions provided for in article 87. Native people remain subject to various forms of taxation, for example, expenses related to licensing a motor vehicle, a driver's license, or sales or consumption tax imposed on a producer or supplier who sells to Indians on a reserve, if such tax is included in the sale price, or the rights to permits in conformity with the provincial act concerning sales tax, business permit expenses and customs duties on food imported to Canada.[11]

No standardized method currently exists for levying provincial sales tax on goods sold to Indians. Indians in Saskatchewan and Nova Scotia are exempted from provincial tax on their purchases. Quebec and Ontario Indians are only exempted if the goods purchased are delivered on the reserve.

We see that Article 87 is both broad and narrow in its scope. This is especially true in the case of sales tax and will become more so if Canada implements a value added tax, generally included in the sales price. In reality, tradition is more generous than the text of the Act, both for sales tax and individual income tax.

Income Tax: Revenue Canada's Interpretation

In interpreting the fiscal advantages granted to members of First Nations through the Indian Act, Revenue Canada generally grants a total exemption on income tax which Indians earn on a reserve. Place of residence and place where income is earned are distinct. This exemption also applies to surrendered lands. Apparently simple, in practice these provisions are quite complex, both from the individual's perspective and the perspective of enterprises. Indians working off reserve for a non-Indian entrepreneur, for example, will be subject to income tax like any other citizen. However, if they exercise their profession off reserve for a business or company with a head office on the reserve, they will be exempted from income tax.

Moreover, by law, an incorporated business cannot be considered "Indian", even if all its shareholders are registered Indians. It constitutes a corporation and must pay income tax. However, Indian shareholders and employees of this enterprise will be exempted from income tax on any dividend or salary received from the enterprise, based on the provisions described above.

The non-incorporated business will be exempted from income tax if its owner is Indian. In a so-called "mixed" company, only the Indian members will be exempted from income tax. Nevertheless, a recent case of jurisprudence should be noted, as it could lead to different interpretations. In 1984, the Supreme Court ruled in favour of a native company that refused to pay income tax: it was stated in its charter that its aim was to assist the community by creating jobs.

In any case, it is clear, even beyond the interpretation of texts, that fiscal practice is uncertain and confused where native people are concerned. Moreover, this uncertainty weighs upon the band councils themselves; according to the Revenue Canada's interpretation, they are exempt from income tax, since they exercise powers similar to those of Canadian municipalities.[12] We will see further on that many councils now operate commercial enterprises and companies as "community entrepreneurs". What fiscal conditions will be imposed on these enterprises and the dividends they pay to the band council?

In discussing these various provisions, we must also point out that the legal interpretation of Quebec's ministère du Revenu seems to fall in line with Revenue Canada's interpretation. This consideration raises the question of the application of provincial laws with respect to the Indian Act.

Application of Provincial Laws

Some native managers believe that no provincial laws apply to reserves. On the other hand, federal and provincial governments maintain that all provincial laws apply to Indian reserves, unless they conflict with the Indian Act.

Doctrine of the Enclave

The courts, for their part, seem to base their decisions on three elements of doctrine when determining the applicability of provincial laws to Indian reserves:

- The provinces may not adopt laws with respect to Indian reserves. On the other hand, general provincial laws may apply to these areas. However, they may not be directed towards specific reserves.
- The provinces may not adopt laws which affect Indian reserves as such. It is possible that some general provincial laws will influence the very nature of Indian reserves. These laws do not apply to reserves.
- Provinces do not have the right to introduce laws that are incompatible with the Indian Act.

The courts, therefore, do not subscribe to the doctrine of the "enclave"; they do not reject the application of provincial laws to Indian reserves. This attitude is in keeping with a broader tradition of conciliation between federal and provincial laws in Canadian courts. Judges generally hesitate to invalidate a law, although this attitude may change under the influence of the Charter of Rights and Freedoms. Finally, we should emphasize the pragmatic orientation of our courts, which search for practical solutions to problems, and not just doctrinal solutions. Federal corporations, for example, are generally considered to be subject to provincial laws, unless it can be proved that application of these laws will seriously hinder their functioning: this applies to railways, national ports, interprovincial pipelines, and Indian reserves. A specific provincial law may apply to one federal corporation, and not to another.[13] It follows that the Civil Code and various provincial laws apply to Indian reserves and native enterprises. This conclusion especially applies to the legal structure of such enterprises.

Legal Structure of Enterprises

Most laws dealing with the structure of enterprises are provincial. Laws governing sole proprietorships are the regular laws on property and markets, which fall first under provincial jurisdiction. Most provinces have statutes concerning partnerships. Federal and provincial governments have laws governing the establishment of cooperatives and companies. Although the issue has not been formally brought before the courts, we may assume that provincial laws concerning the structure of enterprises and normal commercial transactions apply to reserves, based on the Indian Act.[14]

Complexity and Guardianship

Complexity and guardianship are without doubt the two best words to summarize this survey of the legal and regulatory situation affecting native people. The fiscal advantages and economic support, which we will speak of further on, appear to express an unavoidable guardianship, while at the same time representing commendable efforts aimed at reducing the negative aspects for the development of native people in general, and enterprises in particular.

Statutory ambiguities affecting elements as essential as the control of lands, commercial transactions, and the identity of corporations, for example, add to the risks inherent in entrepreneurial activity, by incurring obvious repercussions on economic development, and on the emergence and growth of enterprises. In this light, we should not be surprised by the pronounced increase in demands for and attempts at correcting the situation.

Attempts at Revision: Provisional Report

For many reasons, however, the Indian Act is not easily revised. First of all, we must emphasize its character as a fundamental act: each one of its 124 articles has precedence over all other federal or provincial laws in the same field. Other federal or provincial laws, just like the Civil and Criminal Codes, only apply to native people in cases for which provisions are unclear or non-existent in the Indian Act. The Indian Act thereby assumes a "quasi constitutional" character, which submits all possible changes to in-depth analysis and a very delicate legitimation procedure.

Furthermore, another motive complicates any revision process even further. Despite clearly discriminatory and antiquated elements, which are largely recognized today, the Act greatly contributes to affirming native specificity in relation to the rest of the Canadian population. Any amendment will risk weakening the nature of this distinction. The White Paper of 1969, for example, which proposed abolishing the Indian Act, was met with vigorous and generalized rejection, not only from native people themselves, but from the Canadian population in general. This experience illustrates the difficulty of making radical changes: How can discriminatory provisions be removed without questioning the legal definition of native specificity and its consequences?

This raises some clear legal and practical challenges: for example, How can the rules governing access to land ownership and the right to transact in this area be changed without giving up the protection of Indian lands and property included in the current version of the Act? If certain actions, entirely normal in business dealings, such as mortgages, sales, leases or seizures, were made possible and realizable without the Department's guardianship, they would risk leading to the breakup, or even disappearance of certain Indian lands.

In this context, recent revisions, carried out in the wake of constitutional discussions, could only deal with certain elements, which are very important in terms of human rights, but minor, all things considered, in terms of the emergence and development of viable enterprises on Indian reserves. For example, the criteria for gaining access to the official register, hence native status and its accompanying privileges, could be modified to correct the discrimination towards women. Such a change might affect the development of an enterprise but, compared to the problems raised above, this is a secondary element.

It is clear that such problems can only be resolved through a constitutional disentanglement: as soon as the Constitution ensures native people recognition of their specificity, it will be possible to relieve secondary laws of this function. Constitutional recognition of very specific aboriginal rights, economically viable territorial enclaves and a certain political independence would allow for removing the guardianship currently needed to protect Indian property and privileges.[15]

Failing such a disentanglement, unavoidable elements of guardianship will be needed to protect precarious assets. However, in theory as in practice, entrepreneurs will encounter difficulties in conciliating the constraints of administrative guardianship with the demands of managing an enterprise in a market economy. We will see various concrete manifestations of these elements throughout this work.

The next section presents the efforts made by the Department of Indian and Northern Affairs to assume its responsibilities as effectively as possible and to minimize the influence of administrative guardianship on the conduct of business.[16]

DEPARTMENT OF INDIAN AND NORTHERN AFFAIRS

Because it administers 75 per cent of the total budget in the native sector, the Department of Indian and Northern Affairs represents the main federal structure affecting Indian peoples; it operates based on the Indian Act as well as mandates emanating from 37 other federal acts and 13 treaties. It influences nearly every aspect of Indian life. In addition to ensuring certain services, the Department represents the Canadian State in issues related to law and treaties and, until recently, in issues related to the Constitution.

Development of its Intervention Strategy

The intervention strategy of the Department of Indian and Northern Affairs has evolved considerably in the course of the administrative unit's history. In recent times, it has moved from a supervision policy, specifically expressed in the "Indian agent"[17] function, to a policy of delegating powers. During the 1960s, this same delegation policy was highly directive in terms of economic development, but is developing today towards a philosophy of allowing reserves to take charge, or so-called devolution of responsibility.

In fact, during this period, the Department began transferring the responsibilities for program management and delivery to bands: social assistance, day care, child education, benefits, and development of community infrastructure. Since then, funds managed by the bands themselves have increased regularly, rising from 16 per cent of the total budget in 1971 to 50 per cent in 1982-1983.[18]

This change in the Department's orientation has produced some unexpected results, the first of which is certainly administrative complexity. The way this policy has been applied has led to a significant increase in committed costs (duplication, repeated verifications, emergence of new "consulting" and "supervisory" functions for the Department). For band councils, the result has been a complex, awkward management style which focuses on social services instead of economic development. For its part, the Department has acquired an even more cumbersome administrative structure, which uses too many native human resources, while becoming aware of the scope of problems related to autonomy and devolution of responsibility in the current institutional context. Expenditures, in particular, have continued to increase, which demonstrates a certain inefficiency of programs.[19]

Scope of Federal Expenditures

Historically, a generalized destabilization and then destruction of traditional economies brings about an increased dependence of Indian communities on federal funds; an additional factor in the development of this circumstance has been the ever-increasing role of the federal government with respect to social services.[20]

This situation grew to the extent that it necessarily had a negative effect on native entrepreneurship. The creation of lucrative jobs within the bureaucratic structures and the relative liberality of assistance programs contributed to hindering true native economic development, built on the ruins of the traditional economy.

It must be clearly understood that the degree of poverty on reserves became so serious that this social assistance appeared not only necessary, but insufficient. Nevertheless, it was an expression of, and opportunity for, native people to continue their dependence on the Department. We are not being overly critical of the Department here, but simply evaluating it in terms of the fundamental question of this study: independent economic development based on viable enterprises.

Taking history into account and the influence of institutions, does it not seem idealistic to have hoped for a move from guardianship to devolution of responsibility without an initial period of increased dependence? This dependence, imposed on native people and those responsible for "assisting" them through historical conditions themselves, is expressed both in the amount and breakdown of federal expenditures. For the year 1984-1985, amounts paid out by the federal government totalled 2.7 billion dollars; they now exceed 3 billion (Table 1). Three-quarters of these expenditures are committed by INAC (1.4 billion dollars in 1984-1985); we must remember that half of these funds are administered by bands (800 million dollars in 1984-1985).

Another important fact is that members of the study group responsible for evaluating programs directed towards native people estimated that the number of possible "beneficiaries" of these programs in 1981 was only 377,000 persons (registered Indians: 350,000, and Inuit: 27,000, according to the 1981 census), which represents more than $7,000 per person, including retirees, children and "housewives". These figures exclude non-registered Indians and Metis, who generally receive the same services as the rest of the Canadian population. The figures include the Inuit, but do not account for "other services offered by INAC to groups living north of the 60th parallel," nor special territorial and provincial agreements, such as the 1975 James Bay and Northern Quebec Agreement.[21]

Table 1 shows the progression of financial data by sector of activity for all funds allocated by the federal government, while Table 2 shows the distribution of expenses committed by INAC alone (1.4 billion dollars in 1984-1985), per region and per person,

Table 1
Financial Data, Expenditures in Native Sector ($ millions)

		1973-1974	1978-1979	1983-1984
Housing	INAC	23.9	42.9	133.1
	CMHC	*	*	76.1
Infrastructure	INAC	30.6	60.2	194.6
	TC	*	*	7.2
Economic development	INAC	21.9	44.9	39.5
	DRIE	1.1	8.3	18.0
Natural resource agreements	INAC	0.0	0.0	1.1
	F & O	*	*	2.7
Regional development agreements	INAC	85.0	255.7	462.0
	DRIE	0.0	24.7	32.2
Training and mobility	INAC	5.1	8.4	26.1
	EIC	19.2	27.0	118.1
	JUST	*	*	0.2
		*	*	2.6
Major resource development programs	INAC	0.0	0.0	10.5
Health	H & W	1.9	6.8	10.2
		60.1	125.6	273.3
Welfare	INAC	61.5	133.1	278.0
Education	INAC	131.0	252.1	479.0
Culture and communications	INAC	4.3	7.7	12.1
	SEC	9.9	18.1	39.0
Reserves and trusts	INAC	10.9	13.0	21.7
Native claims	INAC	0.0	9.9	50.5
Band management	INAC	25.4	52.5	117.6
Administration of justice	INAC	*	6.1	12.8
	JUST	*	*	3.0
	SGC	*	*	0.4
Total				2,421.6

* Figures not available in this format.

1984-1985	1985-1986	1986-1987**	1987-1988**	Observations
102.1	101.8	101.8	101.8	500 million dollars required to address backlog
88.5	97.3	102.0	106.9	
192.1	196.4	202.5	219.5	
26.8	21.7	22.2	Yet to be determined	
34.5	30.4	30.4	30.4	
39.4	144.5	169.8	90.8	
1.8	1.8	2.0	0.3	
2.7	2.7	2.7	2.7	
495.6	578.0	615.0	666.0	
37.3	32.2	31.6	4.4	
20.7	20.1	20.1	20.1	
137.5	114.8	101.3	101.3	
0.2	0.3	0.4	0.4	
5.6	6.8	6.8	6.8	
15.5	18.3	17.2	26.7	
17.9	17.9	17.9	17.9	
320.8	358.8	358.8	358.8	
304.9	312.8	319.7	320.4	
532.5	571.9	577.1	586.5	
12.3	12.6	12.6	12.6	
43.7	47.2	47.7	34.2	
29.3	32.4	32.2	32.3	
170.8	138.9	96.2	64.8	Estimated 8 billion dollars required to settle all outstanding claims
121.7	124.2	122.4	122.0	
14.1	14.6	14.6	14.6	
3.8	3.9	3.9	4.1	
0.6	1.0	1.0	1.0	
2,772.7	3,003.3	3,029.9	2,947.3	

** Estimate of future expenditures, in 1985-1986 dollars, drawn from resource guidelines.

Source: Nielsen Report, *op. cit.*, p. 60

for registered Indians living on reserves. It should be noted that Table 2 does not include benefits received as family allowances, old age pensions and unemployment insurance.

After studying these statistics, we can only conclude, based on the example of the study group, that "the services provided greatly exceed the federal government's constitutional and legislative responsibility with respect to Indians and Inuit".[22] Paradoxically, aboriginal Canadians continue to live in precarious conditions: under-education, unemployment rates as high as 90%, and, an irony of fate, personal income which is two-thirds of the national average. It is clear that a substantial portion of the funds directed towards native people is "swallowed up" by the distribution system itself.

Table 2
Regional Distribution of On-Reserve Expenditures by the Indian Affairs Program of INAC in 1984-1985 for Groups Living on Reserves
(Registered Indians Only)

	Millions $	%	Population of reserves	%	Per person
Atlantic	69.0	5.1	9,306	4.1	7,414
Quebec	180.6	13.2	28,263	12.5	6,390
Ontario	242.3	17.8	49,487	22.0	4,896
Manitoba	243.3	17.8	36,335	16.1	6,696
Saskatchewan	221.5	16.2	33,294	14.8	6,652
Alberta	170.8	12.5	30,895	13.7	5,528
British Columbia	237.2	17.4	37,807	16.8	6,274
Total	1,364.7		225,387		

Source: Nielsen Report, *op. cit.*, p. 22.

In these circumstances, it seems fair to assume a certain ineffectiveness of programs; even by greatly exceeding the federal government's constitutional and legislative responsibilities with respect to Indians, the programs do not manage to compensate for the negative influence on development of the institutional context imposed on the First Nations. From this perspective, and given the theme of our study, it is interesting, nevertheless, to give closer consideration to the programs aimed at promoting entrepreneurship and the vitality of enterprises.

Assistance to Enterprises

Establishment of the first special fund for loans to Indians dates back to 1938. The regulation currently in effect was officially announced in 1972. It exceeds the provisions of article 89 of the Indian Act concerning the execution of guarantees. It provides for direct loans to Indians (or to non-Indians for certain enterprises likely to promote the economic development of Indians) and allows the Department to guarantee loans.

In the context of the program entitled "Business Development, Indian and Inuit Economic Development Fund, Assistance to Businesses and Consulting Services," the Department of Indian and Northern Affairs grants three types of financing: direct loans, granted and administered by the Department itself; indirect loans, granted by a banking establishment and guaranteed by the Department; contributions or grants allotted for resolving a problem or promoting community projects and projects that will create numerous jobs.

Generally, direct loans are granted for fixed assets and the loans are guaranteed for financing a line of credit; contributions or grants constitute capital that the entrepreneur invests himself when he starts up a business or has a development project; they are therefore granted as much for fixed assets as for working capital.

In general, the Department's criteria for providing financial assistance are viability, profitability, and the enterprise's ability to repay its loans. For the coming years, priority will be granted to enterprises considered as essential services on the reserves (for example, a general store).

This program appears not only generous and set up to meet the needs of entrepreneurs, but also likely to create ties between the enterprise and regular financial establishments (indirect loan), which may lead to establishing positive credit ratings for native people. Such merits, however, can only materialize in terms of concrete program administration, the preparation of native entrepreneurs themselves and complementary programs instituted at various levels of intervention. These elements will be explored in depth throughout this work. In all these respects, band councils currently play a basic role.

THE BAND COUNCIL
Origin, Description and Functions

At the end of the 19th century, the Indian Act introduced and instituted the system of band councils, with no special concern for the original structures of native government. Since then, the band council has constituted both the reserve's political organization and administrative organization; it is composed of a Chief and a certain number of councillors, determined in proportion to the population. The electoral process is based on modern voting methods with candidates, ballot and election inspectors. The council generally hires a manager and employees on a salaried basis, who perform all administrative duties: managing funds granted to the band by various levels of government and ensuring the proper functioning of projects and programs.

The band council plays a key role in all aspects of community life: it assumes not only the usual responsibilities of municipal councils in towns and villages (in other words, expenditures and activities related to infrastructure, etc.), but also deals with questions related to education, health, social assistance, justice, communications and cultural activities, and economic development.

However, in contrast to municipal councils, its regulatory powers are ill-defined in terms of zoning and construction, and its powers of taxation are very unclear. The Department of Indian and Northern Affairs is the main source of funds for band councils, while still being the main provider of services and a guardian authority capable of overriding all decisions. In fact, for better or for worse, the band councils are often considered to be "administrative arms" of the Department on reserves.[23] They are thereby caught in a situation of dual accountability, since they must answer to both the Department and the band population.

Despite its precarious status and powers, the band council represents the main authority in each band. Depending on the region, its many responsibilities at times become the real driving economic force of the community, with a sphere of activity that includes entrepreneurial activities. Figure 1 illustrates the band council's activities and organization for one of the communities included in our study.

The Band Council as Collective Entrepreneur and Developer

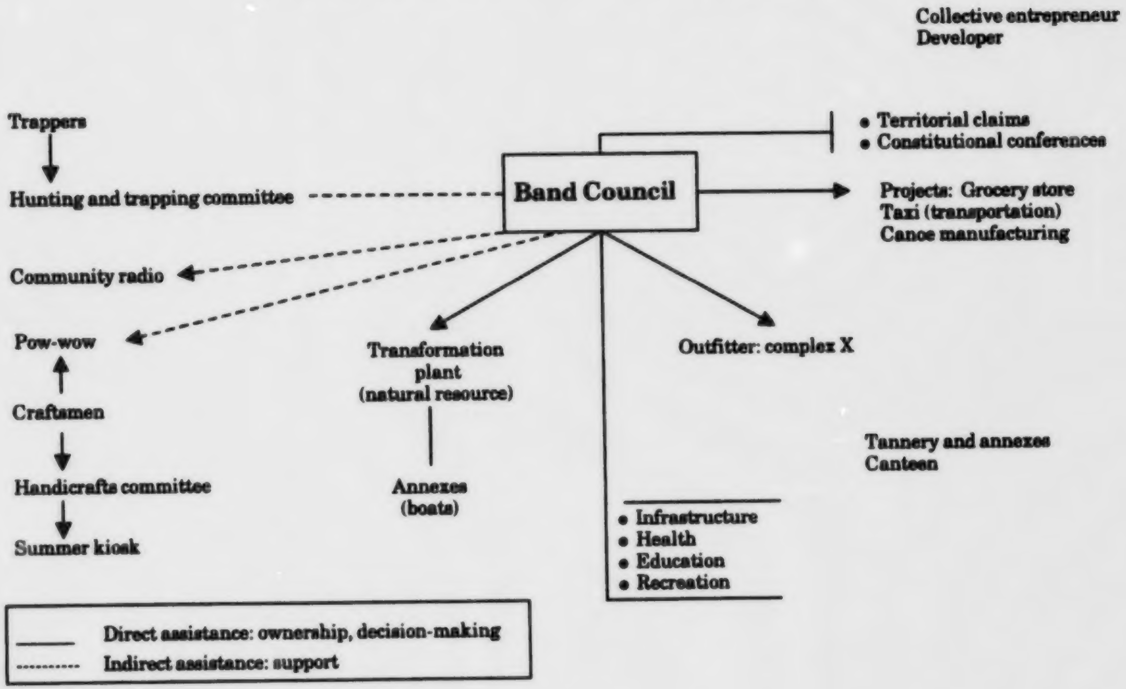
In this example, the band council's mode of action is reminiscent of a "socialist" economy. Aside from the fact that it performs the usual functions, the council is involved in all of the community's economic activities, whether traditional family activities (hunting, trapping, handicrafts), cultural activities (community radio) or tourist activities (pow-wow), as well as existing enterprises or those in the project stage; this involvement may be indirect, through support (lending of sites, service agreements), or direct, through participation in ownership, management, and decision-making.

Obviously, all band councils do not perceive this type of role for themselves and do not seek to assume such a role; however, as results of our research will show, the further we go into peripheral areas, the greater the likelihood of encountering a behavioral model in which the band council plays a major role in economic development. The council in our example, which acts as a collective entrepreneur, is therefore not isolated; on the contrary, this community is already thought of as being close to a model by its neighbours; moreover, we must bear in mind that the majority of registered Indians live in rural or remote areas.[24]

As we have just seen, more than half of the funds required for federal programs directed towards native people are now administered by the bands themselves (800 million dollars in 1984-1985). However, it must be clearly understood that such a

Figure 1

Role of the Band Council – Example in a Remote Area



transfer only involves the provision of services, since the Department maintains control of programs, policy and budgets: the band councils are still subject to the Department's standards, criteria and budgetary procedures.

The system of management and responsibility imposed is extremely complex: councils must deal with 106 federal programs spread out in 15 sectors and 11 different departments,[25] each year they must provide detailed accounting of the administration of their activities, negotiate their operating budget position by position and item by item, and assume the costs inherent in receiving funds once the fiscal year has begun. A further problem relates to the fact that program design focuses more on social services than economic development, and standardized rules do not always correspond to the diversified needs of bands.

To summarize, band councils, especially those perceiving their role as collective entrepreneurs and developers, must work with two specific categories of restrictions. A first series of restrictions relates to the complexity of administration: contradiction between INAC directives and local functioning, federal-provincial disputes, inequalities in the Indian Act, dual accountability. A second source arises from the immediate environment: geographical situation, different languages and cultures, minority societies. Beyond these constraints, the challenge to the bands and their councils is nevertheless to reconstitute a viable economic base on the community scale: their cultural identity and survival as a group depends on it.[26]

CONCLUSION

Serious legal, legislative and bureaucratic obstacles hinder the socio-economic development of aboriginal Canadians. The institutional framework (Indian Act, INAC, band council) modulates and forms a social reality, within which new entrepreneurial forms must emerge and take root, forms which are distinct because of their determining factors, but no less real.

The Indian Act places the councils and individuals under true guardianship, deprives entrepreneurs of a normal business situation (commercial pledge) and sustains uncertainty about the legal capacity of band councils; the councils, artificial and imposed entities at the outset, are now an integral part of Indian communities.

Whether band councils strengthen their role based on "self-management" models, whether they learn to profit from the resources of a market economy or gain control of the functioning of bureaucratic structures, they will still be restricted to administering programs designed for them, with no real power over the development of their community.[27]

Moreover, despite their situation of dual accountability—administrative responsibility to the Department and responsibility to their population—councils are not immune to bureaucratization, which takes root insidiously through retroaction, or echoes the bureaucracy of the institutions themselves. Nor should all the blame fall on the shoulders of the Department, which must also assume financial accountability, and account for its expenditures: the path of "planning budgeting and disbursing funds from Treasury Board to DIAND headquarters, from headquarters to the regions, from regions to the districts, and from districts to bands, . . . with accountability flowing back by the same route" is inherent in governmental administration.[28] The burden of these procedures creates uneasiness in the Department itself: they grant very little leeway to managers in the regions; moreover, Departmental employees also sense the inadequacy of certain "universal" regulations and programs in relation to the regions they serve.

As we shift our discussion to the political scene and "claims for political independence," we must bear in mind this context of implementing the necessary conditions for reconstructing a viable native economy. The failure of the constitutional conferences leaves fundamental questions concerning independent development unresolved: ownership of lands, access to natural resources (especially renewable ones), quality of public services, etc.

Considering all the difficulties of the native constitutional context, it would be too simple, and of little use, to search for guilty parties and victims. Instead, careful analysis of the facts shows that both for native people themselves and existing institutions, true miracles of problem-solving and tenacity have been achieved to make the best of an unavoidable situation. Considering the numerous programs and efforts which have already been very costly, the results have been slight. We should not be surprised, then, at the move from the narrow context of setting up programs to the political and constitutional arena for correcting the situation.

This first chapter presented the institutional context affecting the development of native entrepreneurship. Now that the determining influence of these elements has been clearly established for the start-up, success and failure of enterprises, we must be more specific about the objectives of our investigation and the methods used to achieve them. The next chapter aims at answering these questions and determining the import of a study on native enterprises and entrepreneurs in the institutional context we have just described.

NOTES

1 *Indian Self-Government in Canada*, report of the House of Commons special committee of the House of Commons (Penner report), 1983; *Improved Program Delivery: Indians and Natives*, a study team report to the task force on program review, Department of Supply and Services (Nielsen report), Ottawa, 1985; *Response of the Government to the Report of the Special Committee on Indian Self-Government*, Department of Supply and Services, 1984; *Legal Aspects of Economic Development on Indian Reserve Lands*, Indian and Eskimo affairs program, Ottawa, INAC, 1976 (study by Douglas Sanders).

2 R. Dominique and J.-G. Deschênes, *Cultures et sociétés autochtones du Québec* [Quebec's Aboriginal Cultures and Societies], critical bibliography, Quebec, IQRC, 1985.

3 An even more recent and very interesting study such as that of Fred Wien, while sensitive to historical and cultural dimensions, gives little attention to the legal and institutional context. Moreover, the perspective is that of native employment, and not enterprise. Fred Wien, *Rebuilding the Economic Base of Indian Communities: the Micmac in Nova Scotia*, Montreal, Institute for Research on Public Policy, 1986.

4 The information in this section is primarily drawn from the following sources: *Native Peoples and the North, a Profile*, Ottawa, INAC, 1982; Penner report, *op. cit.*; Nielsen report, *op. cit.*

5 Penner report, *op. cit.*, p. 22.

6 Penner Report, *op. cit.*, pp. 18-22.

7 In the Canadian Constitution, the territorial limits of a province may not be changed without the province's consent.

8 Sanders, *op. cit.*, p. 20.

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9 Sanders, *op. cit.*, p.11.

10 For the reader's benefit and to shorten the text, articles 83, 87 and 90 are presented in an appendix.

11 Sanders, *op. cit.*, p. 20.

12 Canada, Department of National Revenue, Interpretation Bulletin 1T-62, August 18, 1972.

13 Sanders, *op. cit.*, p. 13.

14 Sanders, *op. cit.*, p. 20.

15 For a complete presentation of attempts at revision since the constitutional reform, see: B. Schwartz, *First Principles, Second Thoughts*, Montreal, Institute for Research on Public Policy, 1986.

16 In a work dealing with the management of Soviet enterprises, we studied in greater detail the conceptual and practical difficulty of reconciling administrative intervention and economic action, planning and the market. (H. Bherer, *Management soviétique [Soviet Management]*, Paris, Presses de la Fondation nationale des sciences politiques, 1982.)

17 "An Indian officer representing the Department at the local level had control over virtually all aspects of life, even to the point of issuing passes to allow Indians to leave the reserve temporarily." (Penner Report, *op. cit.*, p. 17.)

18 Penner Report, *op. cit.*, p. 21.

19 Nielsen and Penner Reports, *op. cit.*

20 Wien, *op. cit.*

21 Nielsen Report, *op. cit.*, pp. 26-27.

22 Nielsen Report, *op. cit.*, p. 23.

23 It is not clearly established if band councils have the power to: a) tax property; b) divide the reserve into zones; c) regulate the activity of enterprises located on surrendered lands or issue them a permit. The opinion of the Department of Indian and Northern Affairs is that bands do not hold these powers (Sanders, *op. cit.*), although article 83 of the Act could be interpreted entirely differently, as we have shown above.

24 The notion of collective entrepreneur is not widely used in traditional literature on entrepreneurship, more apt to define the entrepreneur in terms of personal and individual characteristics. This theoretical question will be discussed in the next chapter.

25 Nielsen Report, *op. cit.*

26 Once again, see: Wien, *op. cit.*

27 Dominique and Deschênes, *op. cit.*, p. 197.

28 "The budgetary processes of the government of Canada are designed to provide a national explanation of the ordering of spending priorities by focusing on program objectives, alternative activities or means to attain them, cost/benefit analyses, workload indicators to justify resource requirements, cost accounting and analysis, and value-for-money auditing and program evaluation to assess retrospectively what has been achieved." (Penner Report, *op. cit.*, pp. 91)

CHAPTER II

UNCERTAINTIES AND LIMITS OF INVESTIGATION

We have seen that the institutional and legal apparatus surrounding aboriginal Canadians greatly influences the fate of the First Nations and hinders their quest for independence, not only politically and socially, but also in terms of economics and the creation of viable enterprises. The aim of this work is to discover how certain native people of different environments have managed to overcome such obstacles to successfully start up and maintain economic activities in a business context.

This objective raises many preliminary questions, concerning the definition of concepts and specification of the general problem: for example, what is meant by "enterprise" in the context of functioning and ownership described in the preceding chapter, and in the cultural context of the First Nations? This chapter aims at clarifying such questions, by specifying the objectives and import of our study, by presenting the basic concepts related to the problem, and by establishing the appropriateness of the methodological choices which have guided the investigation. The reader will then have a better grasp of the limits and complexity of our procedure, as well as some measure of how much caution will need to be exercised in interpreting the results and conclusions of later chapters.

RESEARCH OBJECTIVE

As indicated in the previous chapter, significant progress has been made in recent years in recognizing obstacles to the independent economic development of native people and the general rights of First Nations. In addition to the studies and movements already mentioned, we must also refer to various rulings of the courts and conclusions of investigative commissions (Berger, Dickson, etc.), which have helped establish the territorial rights of aboriginal Canadians and reinforce their aspirations towards greater independence, particularly at the economic and social levels. These developments have been expressed in various treaties dealing with natural resource development (British Columbia, Quebec, etc.) and reform of the Northwest Territories government; constitutional reform should further reinforce these trends.

In this context, native Indians and Inuit will have considerable funds at their disposal, as well as being allocated reserved sectors of development. With these elements, we can expect to see accelerated development of economic initiatives and ventures, likely to make profitable use of this capital and bring about a desirable integration of the native economy with the Canadian economy.

Native sectors were not waiting for these more favourable events before starting up businesses; several previous studies[1] and regular columns in the popular or specialized press[2] prove the existence of native entrepreneurship in various regions of Canada, in locations and market conditions ranging from the Far North to the outskirts of cities.

The conditions which have brought about these current or past experiences are not any better documented; various studies or reports deal with very specific elements (scope of assistance programs of the Department of Indian and Northern Affairs, the development of hydroelectricity in Quebec, etc.).[3] Despite their merits, these studies are often too partial or too specific to give a general view or allow for making fruitful comparisons.

Furthermore, in the current state of knowledge, it is impossible to conceive of a comprehensive study of the factors surrounding the emergence of native entrepreneurship in Canada. Nevertheless, it appears that a more modest investigation, limited to a single province and focusing on the underlying motivations of entrepreneurs and the resources they have discovered, could assist native people in developing more and stronger enterprises, while advancing our knowledge of the subject.

What is the current number of native enterprises on reserves? In what sectors? How big are they, how old, what is their legal status? How does the profile of these enterprises reflect the characteristics of their environment? What are the internal and external factors that explain success or weakness? Above all, how are these factors perceived by the entrepreneurs? Based on what visions of their universe do they establish strategies for start-up, survival and growth? These are all questions which need to be answered if we want to define the true nature of native enterprise and understand the development and maintenance of decisions made within these groups to start up enterprises.

This procedure cannot be limited to analyzing business management or a statistical record. Nor is it sufficient to explain the obstacles facing the native entrepreneur through simple cultural or institutional factors. Instead, we must consider the current trend towards combining cultural and techno-economic elements in the study of organizations: since the beginning of the 1980s, administrative sciences have tended, on the one hand, to take into account relations between "objective constraints," financial constraints, for example, and, on the other hand, to take into account personal and collective values, such as the mental structures and subjectivity of the actors involved. This epistemological development of the administrative sciences had made possible, within the field, a discourse on excellence, the scope of corporate culture and, in general, the importance of the "visionary" in relation to the "manager" for the development and progression of organizations.[4] Freed from an old tendency towards mathematical and strictly objectivist approaches, the administrative sciences are now opening up to certain currents in sociology, anthropology and psychology. For Harre, Clarke and De Carlo[5], for example, human behaviour cannot be adequately understood without referring to both the "personal field" such as convictions, beliefs and habits, and the "social field," in other words, the more or less explicit context in which this behaviour occurs. These approaches allow for the possibility of going beyond references to culture, in the form of more or less tautological generalizations with no real explanatory force, to finally arrive at a more fruitful picture of the relation between objective constraints and the subjective perceptions affecting the development of native entrepreneurs.

The present work adheres at least to this ambition and basic philosophy. Due to its general orientation, we were unable to ignore the techno-economic analysis carried out by established firms, in the context of Department of Indian and Northern Affairs assistance programs, for example, nor, *a fortiori*, the immense contribution of Québécois and Canadian anthropologists to the study of aboriginal people. Consequently, we needed to formulate research objectives and strategies which drew from these two traditions to guide our collection of data and make possible the desirable syntheses in analyzing and interpreting the results.

Once again, all these considerations seemed to justify a modest study, one that would allow for combining certain advantages of direct observation with the use of objective tools for collecting and measuring data.

Six specific objectives guided this procedure. Though not of equal importance and difficulty, they were sufficiently interrelated:

- Produce a systematic list of native enterprises in the target population, carefully selected and defined.
- Study the profiles of native enterprises and their environments.
- Point out certain specific problems for the enterprises studied.
- Identify certain factors of success or failure for the enterprises studied.
- Formulate proposals concerning appropriate strategies for these enterprises.
- Express some hypotheses and warnings about the possibilities of extrapolating the results obtained to all native enterprises in Canada.

These objectives must be assessed in the perspective of the main research question which is, once again, the native entrepreneur and his "invention of the world," to borrow a term from Lucien Sebag in his study of Pueblo Indians.[6] We must go beyond the purely formal description of enterprises to better understand native development in the context of the modern economy.

We cannot hope to provide an answer to this question without specifying certain basic analytical concepts and determining their significance for the study of native environments; similarly, relations with the population groups studied and the methodological apparatus used appear to be determining factors for the study's success.

STATEMENT OF PROBLEM AND DEFINITIONS

We have already referred to the difficulty raised, at least theoretically, in using the category "enterprise" for studying productive activities in native cultures. Moreover, the terms entrepreneur, owner-manager, and the notions of success and failure are not necessarily transferable. To further specify our subject, we must therefore clarify and illustrate their adaptation as analytical tools.

In this respect, we will distinguish basic notions, such as enterprise and entrepreneur, from secondary notions, such as success, failure or managerial difficulties. The former not only represent the keystone of our research question, but also greatly influence the use of secondary notions.

Basic Notions

Contrary to what we might be led to believe, the notions of enterprise and entrepreneur are in no way unequivocal and a considerable number of definitions for each of them may be found in the specialized literature. Consequently, we must first make certain choices from existing definitions and isolate elements promoted by such choices as being more fundamental and more characteristic. We will then need to broaden our perspectives and, by returning to more philosophical or historical elements, demonstrate the legitimacy of using such notions in analyzing certain productive activities of native people.

Definitions in the Specialized Literature

What is most remarkable in the specialized literature is the considerable, almost unanimous reduction of the importance of certain elements of the ordinary meaning—such as purpose of gain and profit—as fundamental traits of enterprises and entrepreneurs. It thereby destroys, aside from the ordinary meaning, the narrow economism of the general theory of the enterprise. This type of semantic about-face is not uncommon in attempts at rigorous conceptualization in physics or mathematics, for example. Nevertheless, it may take certain schools of thought by surprise, in which case it is preferable, for more clearly defining the exact extension of the notion of enterprise, to begin with the notion of entrepreneur.

Many authors have attempted to present a satisfactory definition of the entrepreneur, from Cantillon[7] to Schumpeter.[8] Professors Yvon Gasse (19[illegible]) and Li Choy Chong (1986)[9] have studied these definitions, with each of them opting in favour of an approach which is more representative or more descriptive of the entrepreneur. A third and interesting approach is that of Professor Toulouse.[10]

He makes good use of common elements presented by his predecessors *(The entrepreneur is the person who carries out the act of creating a new enterprise)* to develop his own approach based on three axes: values, commitment, action. This approach is interesting, because it concedes the impossibility of a perfect definition and also because it attempts to distinguish between entrepreneurship and other "similar" social functions, in other words, functions which share certain fundamental traits of entrepreneurs.

The personal risk being run (commitment), individual values, and the nature of the action (development or functioning) thereby allow for differentiating entrepreneurs from seven other similar social functions: researchers, investors, craftsmen, bureaucrats, militants, prophets and administrators.

Consequently, the entrepreneur and researcher share the trait of being innovative, but the entrepreneur takes greater personal risks. The entrepreneur and manager are both concerned with administrative rationality, but the entrepreneur's action is focused much more on development than on functioning. The entrepreneur and militant are both deeply committed to their enterprises, but the entrepreneur's commitment is individualistic, while the militant's is based on collectivist values. The author himself summarizes these distinctions in the following table:

Values	Type of risk	Nature of action
individualistic	high	development = entrepreneurs
individualistic	low	development = researchers
individualistic	high	functioning = investors
individualistic	low	functioning = craftsmen
collectivist	high	development = prophets
collectivist	low	development = militants
collectivist	high	functioning = officials
collectivist	low	functioning = administrators

These subtleties account fairly well for the entrepreneur's social function in society, but they involve at least one obvious limitation for our study: can entrepreneurship, in native societies as well as certain marginal groups of "white" society, not be based just as much on collectivist values as individualistic ones? Here we find the problems related to the notion of "collective entrepreneur," discussed in the previous chapter. Various studies have allowed for clarification of this question, so important in the native institutional context.

Based on a very broad review of the literature, Gasse[11] proposes six characteristics specific to entrepreneurs:

- the need for personal realization (Maslow's "fulfilment");
- creativity and initiative;
- risk-taking and defining of goals;
- self-confidence, daring (*internal locus of control*);
- the need for independence and autonomy;
- motivation, energy and commitment.

We may also observe that these characteristics are very much centred around the individual and at least in appearance, leave little room for collectivist values. Moreover, in another article, professor Gasse gives the following definition of what he calls "entrepreneurship":

> The appropriation and management of human and material resources in the interest of creating, developing and implementing solutions that allow for

> meeting individual needs [. . .] The entrepreneurial spirit translates into a constant desire to take initiatives and to organize based on available resources to achieve concrete results.[12]

We cannot help noticing that terms such as "appropriation" and "individual needs" refer explicitly to single persons, causing further hesitation in the use of categories of enterprises and entrepreneurs for studying native environments, renowned for their adhesion to community values. However, when it comes to specifying factors or events likely to promote entrepreneurship, Gasse refers to the studies of numerous authors, then concludes with the predominance of environmental factors, such as immediate family or being a member of a minority group, elements which Toulouse had also stressed. Among inhibiting factors, Gasse seems to adopt the conclusions of Ellis,[13] according to which:

> a socialist type of society may constitute a hindrance to the development of entrepreneurship, in cases where the government adopts positions to remedy underemployment through cumbersome bureaucracies, especially when economic decisions are made in an authoritarian manner, without taking market forces into account. We must point out here that a rigid bureaucratic system may influence entrepreneurship in two opposing directions in that it may either discourage private initiatives, or motivate people to become more independent, to be their own boss.

Do we not sense that we are re-reading, in a different form, the conclusions of the previous chapter on the legal and institutional constraints that burden aboriginal Canadians? This quote allows us to point out that an enterprise may result from an extreme reaction to constraints, on the condition, nevertheless, that a consumer market system and relatively free financing exist.

In the opinions of Toulouse and Gasse, therefore, we must note a clear inclination, explicit in Toulouse, to consider entrepreneurship as an individualistic phenomenon. Despite this tendency, we conclude that three elements result which will allow for recognizing the validity of the notions of enterprise, entrepreneur and entrepreneurship in studying native societies, even if these societies are renowned for their sense of community and sharing.

On one hand, the authors point out that minorities are often more productive than majorities in terms of entrepreneurship. Moreover, they also emphasize the unexpected effects of an overly bureaucratic and rigid social system, which gives rise to entrepreneurs and other marginal groups. These first two elements may easily be applied to the institutional context of aboriginal Canadians. The third element is more subtle and refers to the cultural variables themselves. Our problem becomes the applicability, in a community-oriented environment, of a category of analysis which has highly individualistic implications: does community cohesion allow for the emergence of entrepreneurial behaviour? We have just seen that it may produce such behaviour, at least in the form of a reaction. But there is more. When this type of community cohesion exists, can the society involved react like an individual entrepreneur to the possibilities and threats of its environment? This brings up the notions of collective enterprises and community entrepreneurs which we have presented in other studies: in "white" society, individual members of disadvantaged or threatened groups create ties of solidarity and cohesion between them such that collective enterprises start up and develop.[14]

The results of our research show both enterprises that start up "in reaction" to collective constraints and others that result from community cohesion. Forced into cultural syntheses, was it not predictable that aboriginal Canadians would produce forms of enterprises and entrepreneurs that may be hybrid and unexpected, but still explainable in terms of the different axes of acculturation?[15]

The contribution of Li Choy Chong, who concentrates more on the social nature of the entrepreneur, allows for better appreciating these aspects. Starting with the theoretical considerations presented above, which he enriches with the perspective of a Singapore resident, this author stresses three aspects of the social nature of the entrepreneur which are particularly relevant for our subject.

First of all, the entrepreneur is perceived as the product of predetermined social and cultural conditions; he manifests himself through socially related motives and activities; finally, the social role of the entrepreneur exceeds the strictly economic dimension. Based on these considerations, Professor Chong develops his notion of the decisive character of the socio-cultural environment for the "arrival" of entrepreneurs: they appear expressly as "social products." Is it not conceivable, then, that they should be described distinctly for each culture, individualistically in one society, but community-oriented in another? These considerations show how unwise it is to confuse the local and limited manifestations of entrepreneurship, always contingent upon a given society, with generalizations resulting from attempts at conceptualization.

The approach of Chong surpasses traditional definitions of the entrepreneur as "risk taker," innovator or manager. It is also of interest in that it puts entrepreneurs at the crossroads between social and cultural values, apparently important in the context of native societies. In these contexts, then, we have analyzed the profiles of owners and managers of individual or collective native enterprises we met with during our study.

Conforming to some previous studies,[16] the owner-manager is defined as the person who significantly contributes to the enterprise's capital and takes an active part in decisions related to its orientation and solving its day-to-day problems. The manager shares these characteristics, with the same significance, without being the owner. These definitions should and must be interpreted in the feminine as well as the masculine, in the singular (individual) as well as the plural (collective), based on what has already been said.

Studying the notions of entrepreneur, entrepreneurship, owner-manager and manager shows, therefore, that the enterprise is a much richer and more complex reality than the ordinary meaning or economic theory of the enterprise might lead us to believe. Certain general philosophical and historical considerations will now allow us to better clarify the term enterprise and establish an adequate definition for our study. Though it is important to free ourselves from overly classical views, we must also avoid an elastic conception which would not allow for distinguishing between the native enterprise and other native institutions, such as the band council, which does not always act as an entrepreneur.

General Considerations and Definition of Research Objective

The etymology of the word "enterprise" tells us little about its current meaning. The term appeared at the beginning of the XIIth century, as a derivative of the French verb "entreprendre" [to undertake], having the connotation at the time of "to seize, attack, surprise". "Entreprise" [enterprise] later came to mean a dispute between two persons. The semantic derivation undoubtedly also included the meaning, still very current, of "to begin", "to bring oneself to do something", as in "to undertake a journey." A familiar term of the courtly novel, "aventure" [adventure], a term which later took on a commercial meaning that still exists in current English (venture), is often used as a complement to the verb "entreprendre"; so, to discover the etymology of the term "enterprise", we must follow the path of its synonym through many centuries, the word "adventure". The action of "undertaking" an adventure may be expressed equally in the substantives "adventure" and "enterprise", whether in the courtly, heroic or commercial sense. This is shown in the highly documented work of Professor Michael Nerlich, of the Technical University of Berlin, on the birth and formation of the bourgeois conscience.[17]

The contribution of the bourgeoisie, as opposed to previous social formations, was to "idealize" the adventure, to conceive of it as something positive. The heroes of antiquity, such as Ulysses, never experienced adventure as anything but a stroke of fate, a fatality or trick of the gods, never as the pursuit by man himself of a voluntary and noble undertaking. The courtly novel played an important role in this development, since it constitutes the literary transcription, with elements of marketing, of the message "go seek adventure", addressed to knights of the Xth, XIth and XIIth centuries, who had become too numerous for the lands and offices available, and too poor for the courtisan's life. The courtly novel was therefore responsible for relieving the kingdom of a burden and educating an overly mobile class, which necessarily learned to "wait" for a future reward. The more extraordinary the adventure, the greater the knight's glory; already, in these first adventures undertaken to serve a lady, the king or faith, we perceive the ability to renounce easy and immediate rewards, to overcome obstacles and—not to be overlooked—to bring back spoils, as in the case of the crusades, or better yet, the case of armed bands who overran hostile countrysides or fiefdoms. Unpaid (in other words, unsalaried) as opposed to career soldiers, these men lived from the "product" of their "adventure."[18]

The term "aventure" [adventure] quickly takes on a more prosaic meaning and Frédéric Godefroy's *Dictionnaire de l'ancienne langue française [Dictionary of Old French]* summarizes the various significations, in the Middle Ages, of the expression "potential product".[19] As Nerlich shows, however, it is in England that the concept of adventure most clearly manifested its commercial[20] sense, still present today through use of the term *venture* as a synonym for enterprise.[21]

The preceding considerations lead to two important conclusions about applying the category "enterprise" in the analysis of societies whose economies and values are not strictly limited to market perspectives: firstly, the concept of enterprise has broad implications, which go well beyond its strictly prosaic and lucrative aspects, found in its old travel companion "adventure"; secondly, "adventure" itself, from the outset, has called upon the fundamental virtues of entrepreneurship, paving the way for the development of certain primitive values. These two conclusions, like two sides of a single coin, require some comments.

Nerlich's considerations about the birth of the bourgeois conscience are nothing more than the description of how values developed towards a market connotation, lacking in a previous era. They show that, fundamentally, they are the same values, taking on new significance at a certain point in history, under the weight of social crises. Consequently, market values did not come about through spontaneous generation, but rather through an evolution which transformed, while strengthening, certain values of a previous era.

The values of the need for accomplishment, self-mastery, creativity, initiative, the ability to wait for a reward, the motivation of independence and autonomy, the enjoyment of taking risks and working hard to overcome obstacles, were all found in the adventure of the Middle Ages and form the basis of the enterprising spirit of today, as shown by the authors and specialists on small and medium-sized business already mentioned.

We could further demonstrate the close relationship between the marvelous of the Middle Ages and the prosaic of today but, despite the potential interest this might have, would exceed the scope of this work.[22] It will suffice for us to make one essential conclusion: the development of certain fundamental values towards market forms does not arise through spontaneous generation or some kind of revolutionary somersault. It may come about in various ways and be caused by social crises; above all, it comes about because it is fixed to many points on the axis of acculturation which it represents. Consequently, the hunting-gathering societies, the peasant, feudal and bourgeois societies, or any other class or social formation may forge a cultural link which will lead it to adopt a form of enterprising, more or less market-oriented spirit, due to a specific crisis, and with respect to its specific situation.

This study allowed us to meet with native people from diverse environments. Based on their specific contexts, they start up and manage their enterprises very differently, some being more traditional and closer to the standards of the perfect entrepreneur, while others are very spontaneous, adventuresome and aggressive. The former resemble entrepreneur-managers in the dominant economy, while the latter make us think of the "adventure" of Frédéric Godefroy, of casting a fishing line, of the forthcoming harvest or the product of hunting and trapping.

At this stage, we are no longer surprised by the polysemy of the notion of enterprise, nor the polymorphism of the phenomenon. Today, approaches to studying enterprises are numerous, varied, and at times even contradictory; in their diversity, they show the phenomenon's many perspectives and its changing nature. For some, the enterprise is no more and no less than a political system; for others, organizations do not exist beyond the people of whom they are made.[23]

In this respect, we should also note that, although the State-entrepreneur seems to be losing its place in many Western countries, the same is not necessarily true for the "localized" aboriginal State. The fact of devolving responsibility for management and social—even scholarly—development to these remote areas, with limited human and material resources, is also related to the challenge of starting up an enterprise. Moreover, we have emphasized that the birth and development of economic enterprises under the band council's protection often grant the council a true entrepreneurial role.

In spite of the similarity between the notions of entrepreneur and builder, we were still not able to extend this research to all native institutions in a single community. Taking the preceding theoretical and semantic considerations into account, as well as the specific realities of the native universe, it was appropriate to include economic vocation as a central element in the notion of enterprise. Similarly, self-financing, where intended and accessible within a reasonable period, seemed to be a fundamental element of the enterprise. However, neither legal status nor sector of production were included as discriminating variables.

For the purposes of this study, these indicators allowed for including as enterprises all native organizations that met the following description: *any economic activity that creates employment, for which part of the revenue comes from the sale of goods or services likely to result in self-financing, whatever its legal status.* We chose this definition to take into account the native context and its particular constraints in terms of financing or distribution of income.

Economic vocation allows for distinguishing the enterprise from social, educational or political organizations. But to ensure the relevance of such a distinction, we had to go further: we therefore determined that part of the revenue comes from the sale of goods and services. We did not specify the proportion of these independent revenues, so we could take into account the structural characteristics of the native economy discussed in the previous chapter: grants, legal constraints, etc. However, we insisted that this sale operate on the basis of products and services that are likely to lead the enterprise to self-financing. This perspective includes the objective element of feasibility within a reasonable period. It also includes a subjective view; does the entrepreneur in question want self-financing and does he make efforts to achieve it? Only with these elements could we do justice to the specific constraints of the native enterprise and distinguish it from other organizations that sell goods and services but have no self-financing objective. The Mashteuiatsh museum was studied, for example, but not included as an enterprise, due to this criterion.

Moreover, we insisted that the organization create employment. This is a classical requirement for studying enterprises in the dominant economy, where organizations are excluded if their owner-managers are also the sole employees: but is such a rejection valid in the specific context of the native economy? To answer this question, we must first examine the motives for excluding this type of enterprise in traditional studies: these motives appear to be based much more on the proliferation of these enterprises, whose "demographic" influence, with respect to larger organizations, would falsify the data. The "person working for himself" is thereby excluded from such studies for reasons which are either practical or methodological, but not conceptual.

In this regard, it would appear risky to deny the status of enterprise to such organizations, especially if we refer to the earlier theoretical considerations on the enterprise and the entrepreneur. Our study therefore included such organizations because, in remote reserves and areas, although a small enterprise may achieve a sufficient volume of sales to support the "owner-manager-single employee" and his family, it cannot always hope for future growth, due to a limited market and lack of supplies. However, such creations must be regarded as starting up an enterprise; they are especially frequent in the field of handicrafts. Moreover, the single job is often just a facade; especially among native people, we quickly discover that there is intense, "free" collaboration, from members of the immediate family, for example.

The criterion of job creation therefore included the creation of the entrepreneur's single job. However, a condition was imposed: the organization in question had to produce sufficient revenues to be considered the owner-manager's main source of income. Consequently, many seasonal activities, and individual or collective enterprises which only generate extra income, such as trapping in certain cases, were excluded from our research. To summarize, a single job allowed for obtaining the status of enterprise, for the purposes of our research, provided the revenue was the main source of income and not simply extra income.

Legal status was not included as a discriminating variable, not only because of the institutional factors described in chapter I, but also because previous research on alternative or community enterprises demonstrated that it was arbitrary to limit the concept of enterprise only to organizations covered by the Canadian Business Corporations Act or Quebec's Loi des Compagnies. In fact, cooperatives, registered and non-registered enterprises, companies of all kinds and even non-profit organizations are legal or para-legal forms, and are likely to interest various kinds of entrepreneurs, according to the context and the conditions at the time.[24]

With these principles established, we still needed to specify the degree to which the organizations of interest to us were "native" enterprises. The previous chapter referred to the definitions we used in this respect while collecting our data. We opted for an empirical approach and decided that an enterprise was native if it was located within the territorial limits of the community being studied. As a result, certain Huron enterprises, whose place of business is located off the Wendake reserve, were not considered, whereas "White" enterprises in Kuujjuaq were.

Location was therefore used as an independent variable, without regard for the distribution of ownership between partners (white woman and native husband, or vice versa) or other arbitrary factors, now exceeded by the legislative reform. However, the reasons that certain enterprises set up outside native territory obviously drew our attention, as did the reasons for setting up "White" enterprises in a native community.

With our research objective thus defined, it seems appropriate at this point to present some secondary notions, likely to further clarify certain elements, especially concerning the actual functioning of enterprises: managerial difficulties, factors of success or failure, environment, etc. These notions already represent tools for analysis and we must consider their presentation as an introduction to the methodological considerations that will end the chapter. Our work scheme is based on the model presented in table 3 and is based on the following concepts:

— *Managerial difficulties.* These are the enterprise's internal or external hindrances or obstacles which affect its administration and which could influence its functioning, profitability, and development (e.g.: manager's competence, difficulty of obtaining funds, legal or administrative regulations).

— *Factors of success or failure.* These are elements which significantly contribute to the success or failure of the enterprise and which determine its development for a given period. They are perceived as positive (success) or negative (failure) by the entrepreneur himself and are mentioned during interviews or recognized by the researcher through an "objective" analysis of the data (competence of the staff, grants, etc.).

— *Environment.* These are factors external to the enterprise which affect it in various ways, but over which it has no direct control. This is the theoretical definition of environment found in the specialized literature; in practice, and especially from the local point of view, we will observe that either the entrepreneur has a distinct influence on his socio-political environment, or some kind of independence from it. In reality, then, environment does not appear to be either as restrictive or immune from other forms of influence as theory would have it. The environmental characteristics which guided our observations are:

- political or legal: political situation, governmental practices, laws, fiscal regulations;
- economic: economic system, supply and demand, market, costs;
- competitive: competing economic forces, having the same resources, same clients, etc.;
- socio-cultural: social attitudes, mentalities, individual and collective values;
- educational: type and level of education, educational structure;
- physical: natural resources, communications services, roads.

— *Inputs.* These are resources used by the enterprise in the process of producing goods and services. They may be human (personnel), financial (income, grants), physical (equipment, raw materials), informational (necessary data) or organizational (ability to organize and manage work and other resources).

— *Transformation.* All the chosen methods for transforming resources into goods and services. Practices may be categorized according to the following administrative functions:

- marketing: activities and knowledge required for marketing;
- accounting and finance: financial administration;
- production: maintenance of equipment and production rate;
- human resources management: the organization's main resource, especially among native people.

— *Outputs*. Outputs consist of goods and services resulting from production and are offered to clients. They are also concrete results which may be provided to owners, shareholders or members.

Table 3 gives a concise illustration of the main divisions and subdivisions which allow for classifying managerial problems so their nature and extent may be diagnosed.

Table 3
Input-Output Models

	Division			
	Environment	Inputs	Transformation	Outputs
SUBDIVISION	Political or legal	Human	Management and personnel	
	Economic	Financial	Marketing	Goods and services
	Competitive	Physical	Accounting and finance	Profits
	Socio-cultural	Informational	Production	
	Educational			
	Physical		Other	

Based on data collected on site, these concepts allow for better defining the exact nature and extent of an enterprise's problems.[25] For example, a labour problem will be interpreted differently according to its relative position:

- if training is involved, it will be considered an *environment* (political or legal) problem;
- if recruiting is involved, it will be considered an *input* problem;
- if motivation is involved, it will be related to the *transformation* (management and personnel) process.

We must note that these different notions represent the researcher's perspectives of observation, classification and analysis: they serve as guides for the empirical process, but obviously do not determine the vocabulary used with respondents. These considerations already call for us to present the methodological choices that guided our research: in succession, we will present the context and main steps of the research, the methodology, the unfolding of the study, and end with some cautions about the conclusions that may be drawn.

METHODOLOGICAL ASPECTS

Relevance, Context and Main Steps of the Study

As we have stated, the current state of knowledge, the size of the territory, the diversity of structures and the complex issues related to the institutional context of native people are all arguments in favour of an *exploratory* and relatively *modest* study. At the same time, these elements give eloquent emphasis to the need for advancing knowledge of our subject, whose theoretical and practical repercussions appear to be significant. On the one hand, this research could generate paths to explore in subsequent studies, which could be more comprehensive or more in-depth. It could also shed some new light on the problem of entrepreneurship in general.

On the other hand, in terms of concrete repercussions, interesting results may also be predicted. Reporting on and illuminating the real performance of aboriginal Canadians, in their search for economic independence and the creation of enterprises, should help remove some of the uncertainties still slowing the many desired reforms concerning them. Defining the motives for starting up enterprises and the factors of success and failure could have a positive effect not only on entrepreneurs and native institutions, but also on government policies and programs. Finally, native successes and difficulties often seem common to remote areas of Canada, and studying these questions is likely to promote the fulfilment of many Canadians.

Faced with these two imperatives—size of the present study and the need for maintaining its exploratory and modest character given the current state of knowledge—we decided to focus this project on certain territories or regions, while considering data which are relevant and already available on native enterprise in Canada.

Review and Systematic Analysis of Literature and Documentation Related to Native Enterprise in Canada

This first phase is obviously a necessary, traditional precaution for any study: it is important to carry out a systematic survey of the documentation and previous studies. Not only does this allow for avoiding overlap, but it will result in a considerably deeper understanding of the problem. Moreover, this first step allows for researchers to familiarize themselves with the research context.

Selection of, and Agreement on, Target Populations

Various parameters were considered in determining these populations. First of all, given the nature and limits of the study, it was agreed that three or four target populations would be covered, populations limited in size and all located within the territorial limits of Quebec. These populations were to show real support for the research objectives and correspond to the usual organizational, legal or geographical categories (e.g.: Attikamek-Montagnais Council, Maria Micmacs, Hurons of the Quebec City region, Inuit of Quebec).

To take remoteness into account in the birth of profitable enterprises, we chose to study populations that fell within a geo-economic continuum: one would be located in a peri-urban environment, a second in a remote, but easily accessible environment, with a relatively dense economic fabric, and a third in a very remote area, rather weak in infrastructures and economic density. Consequently, we selected Wendake (Huron village), Mashteuiatsh (Lac-Saint-Jean West) and Mingan (Lower North Shore) as the research sites. At a later stage of the project, we introduced the Inuit community of Kuujjuaq, in the hope of adding perspective to results obtained in the geo-economic continuum of the first three populations, and to specify certain institutional effects (James Bay and Northern Quebec Agreement).

Overall, this strategy was meant to allow for verifying the importance of significant environmental variables on the incidence of entrepreneurship. The first three communities and the community of Kuujjuaq agreed to participate in the study without hesitation. From that point, we were able to begin the decisive step of our research.

Intensive Study, Analysis and Interpretation

This step involved making a list of all enterprises and organizations of economic vocation in each population, based on both existing statistical records and on site verifications and interviews. It includes a diagnostic analysis of these organizations and enterprises through semi-structured interviews with administrators and some participants. It also includes a study of environmental characteristics (remoteness, competition, financial resources, labour force, markets, etc.). The collection, analysis and interpretation of such data in terms of our research objectives obviously called for an appropriate methodological procedure.

Methodology

General Perspective

A study carried out in a globalist perspective (system of enterprise-environment), in an unstable or unknown context (native enterprises), requires quite different tools and strategies from more classical studies aimed at defining the relations between some well-established variables on the basis of a central hypothesis.

In relation to classical analytical tools, such as using structured questionnaires, variance analysis, etc., our procedure assumes much simpler instrumentation, which is adequate, nevertheless, for an in-depth analysis of the research sites. This is why we decided to combine the procedures of strategic analysis[26] and diagnostic analysis of enterprises.[27] Nevertheless, the perspective of Crozier and Friedberg interests us more through its methodological elements: without overlooking political aspects of native enterprises, we are searching, above all, for an investigative method that will compensate for the deficiencies in Glueck's strategic planning model.

Glueck's model is the prototype of the rationalist approach to the diagnostic study of organizations. It offers fairly complete coverage of all the functional and structural elements of the enterprise; however, it is rather weak in the qualitative interpretation of these data and in putting them into perspective in relation to the subjectivity of the various actors involved. Glueck's model seems most superficial precisely in the consideration of strategies themselves and their underlying values.

Administering Glueck's analytical models in the investigative perspective of Crozier and Friedberg allows for supplementing the factual data that seem to characterize the enterprise with qualitative information; during the dialogue between the researcher and his interlocutor, it also allows for constructing a deep understanding of the strengths, weaknesses, threats and opportunities of the organization involved. It leads to identification of the fundamental variables of success and failure in the eyes of the entrepreneur and their creative assessment by the researcher; it is only within such perspectives, by assuming the influence of unavoidable subjectivities, that deviations from Glueck's rationalist and objectivist model of organizational functioning can be appreciated and justifiably "qualified".

The postulate of Crozier, Friedberg, Sainsaulieu and other proponents of strategic analysis is that the strategic actor is easily shrouded through objectivist factual analysis, for example, through use of closed questionnaires. These researchers take it for granted that a senior public servant, minister or entrepreneur cannot be uncovered, pinned down or understood through a questionnaire. Strategic analysis, therefore, aims at going into greater depth. As a tool, it uses immersion of the researcher, and semi-structured and repeated interviews, based on the notion that perception and behaviour are what is strategic, not opinion or attitude.

Moreover, strategic analysis is not a strictly anthropological or Weberian procedure. By limiting the paths of analysis to broad but precise organizational variables, it avoids certain constraints of classical participatory observation. Between a stay of two days for distributing closed questionnaires and a stay of several months or years in the native environment, strategic analysis provided us with the middle range of significant visits (from one to two months, depending on the case) focusing on determined paths of observation. For the reader not familiar with this method, we will summarize the main steps here, describing adaptations we made in relation to our research.[28]

Data Collection and Preliminary Structuring

The first step of the analysis was to establish as complete a picture as possible of the phenomenon being studied, its context and its projects. The tools for this step are the most thorough documentary study possible (correspondence, financial statements, internal communications, etc.) and some preliminary interviews carried out using a classical diagnostic model based directly on Glueck's procedure. At this stage of the research, the aim is to identify the role of objective constraints affecting the native entrepreneur and his enterprise. These constraints are classified and defined as technical, economic, social or cultural uncertainties facing the entrepreneur and his projects. We attempt to determine the influence of these various types of constraints on the relation between the enterprise and its environment, and their effect on the enterprise's system of decision-making and transformation.

These questions quickly lead to a second step. The aim now will be to determine the different alliances, oppositions and neutralities of the main actors involved, in both the enterprise itself and the immediate environment, with respect to these issues of collective life. Two explanations are required to better define this step of our investigation.

Adopting of Perspectives and Hypothetical-Deductive Analysis

On one hand, conforming to Crozier and Friedberg's procedure, this step reflects the profound conviction that uncertainties identified in the first step are a source of strategies for both individual and collective actors: competence and degree of dependence with respect to an uncertainty determine the divisions, alliances or oppositions which lead to a certain stability. In a native community, for example, the negotiating skill of employees of the Department of Indian and Northern Affairs is not everyone's concern. According to the entrepreneur's specific position and resources, he must either ally himself with this group, or influential individuals of the group, or have the necessary means for resisting this alliance. The same applies to craftsmen and their handicrafts kiosks, or cooperatives and their sales clerks. Similarly, within the enterprise, the interests of various family members, marriages and other types of alliances will have a direct and determining influence on dependence with respect to uncertainties identified in the first step.

The researcher attempts to discover such alliances, oppositions or neutralities with respect to issues of collective life. His tools will now be in-depth interviews, conducted both within the enterprise and the surrounding community, covering basically the same themes as in the first step, but approached in an entirely different context. This is the meaning of our second remark: perspective and systematic consideration of the environment were to distinguish this second step, allowing us to stick more closely to the specific reality of the native enterprise.

We are no longer deciphering the constraints themselves, but the actors' reactions to them, both within and outside the enterprise. Though the researcher continues to collect information, we must recognize that his analysis is already beginning; from this point on, he is no longer only questioning, he is truly conversing, and these dialogues constitute paths, or hypotheses, which are formulated, then confirmed or denied during the discussion with the interlocutor. The difficulty of the task, family relations, the recent history of the band, relations with the council and other entrepreneurs, relations between large families, and external interests all make up the background for these interviews and provide a setting for the objective information of the first step.

In this way, the research gradually reveals a profile of the system of decision-making and transformation specific to the environment, which directly affects the most fundamental questions of our study, such as the entrepreneur's room to manoeuvre and the emergence of factors which are hostile or favourable to various forms of entrepreneurship. This system of decision-making and transformation manifests itself concretely and includes the series of cultural constraints that influence decision-making: decision-making is faced with a series of standards, codes, values and ground rules that limit the possibility of an overly unidirectional, overly radical process, in which the strongest always and unconditionally defeats the weakest.

This type of investigative procedure, which combines the advantages of rational and objectivist analysis with those of strategic analysis, therefore appeared the best adapted to the size and scope of our study. It allows for making the necessary adaptations and contains its own validation system. Therefore, it seems to correspond to a context in which the interface between enterprise and environment remains problematic, ranging from assimilation to exclusion.

Though the enterprise appears to be clearly and highly singularized, observation will deal more directly with its system of relations and decision-making. But, if the enterprise and the inclination to start up enterprises are colonized by the environment, this procedure allows for transposing the study of the system of decision-making and transformation to this level, without becoming trapped in a sociological analysis which runs off in all directions. The necessary reference markers are provided here by the paths of analysis: objective constraints, decision making system, and ground rules, which are supplemented by Glueck's framework of strategic planning and management.

Consequently, this research strategy is based on discussion with the interlocutor; the aim is not only data collection, but discussion in a mutual rapport between the researcher and his interlocutor to uncover the truth.

To summarize then, in a first stage, the researcher attempts to collect materials and information. In a second stage, his aim is to converse with the interlocutor, following ethnological analysis and hypothetical-deductive analysis procedures; he then establishes a permanent reference between observation, analysis of reality and the multiple hypotheses that surface during the interview. Of course, these are not research hypotheses in the ordinary sense of objective and quantitative investigation, but radar waves, data that issue from the discussion between the researcher and his respondent, likely to clarify the underlying systems of the enterprise and the native entrepreneur's invention of his particular world. In other words, just as phase 1 of the process continues into phase 2, phase 2 already involves us in phase 3, that of analyzing and interpreting the data.

Analysis and Interpretation

Figure 2 shows the development and interconnection of the three stages of this investigative procedure. At both the top and the bottom are the two stages of data collection and preliminary interpretation, focused on analyzing the documentation and conducting interviews; as the research advances and a common vocabulary develops between the researcher and his interlocutor, these interviews aim increasingly at improving and testing hypotheses concerning the effect of the objective constraints and resources of the actors on formulating action strategies, based on relatively stable alliances and oppositions. This discloses the enterprise's system of transformation and action and the entrepreneur's room for manoeuvring.

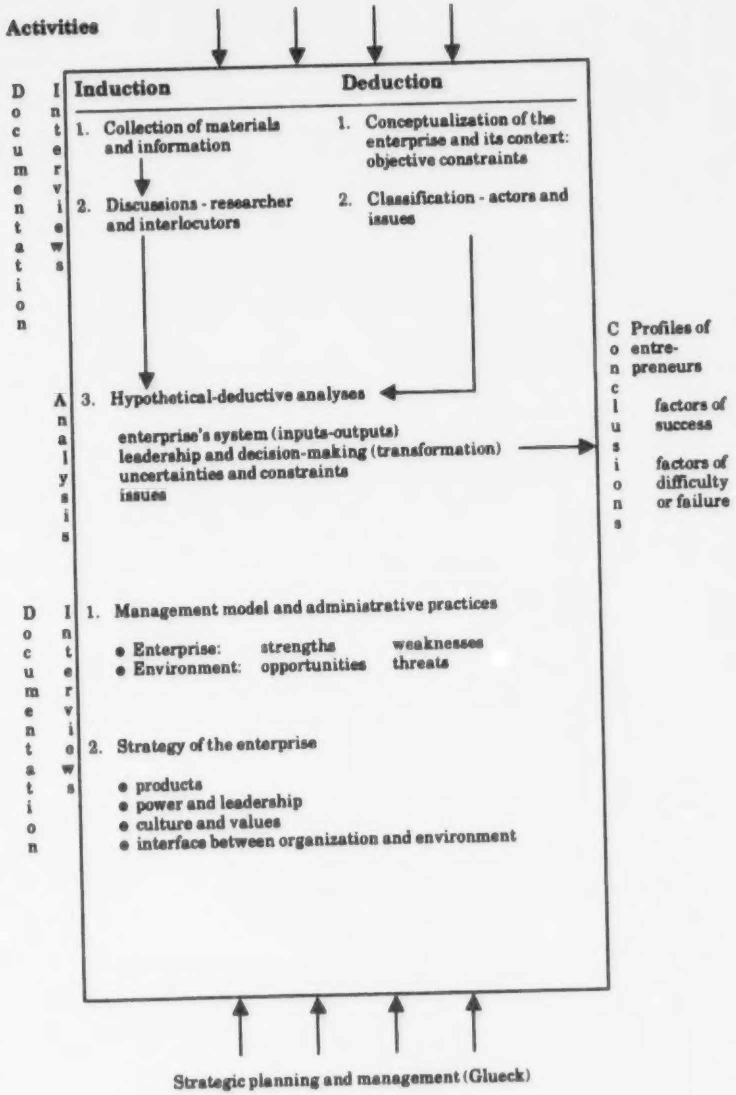
From this point on, with a different intellectual effort, interpretation of data more specific to the researcher begins. Then, as the procedure progresses, we will define the observer's perspective with increasing clarity, in his ability to relate various sources of information and interpretation, to compare different situations and to place the results in a conceptually stable analytical framework.

To carry out this operation, we divided and channelled the results and interpretations of the first phases, using a model based on the four main axes of the fundamental problems that are specific to strategic analysis and decisive for understanding the functioning of the native enterprise and the native entrepreneur:

- the organization's products, economic and material, but also social, affective and cultural;
- decision-making power in and around the enterprise which influences its fate;
- organizational culture;
- relations between the organization and its environment.

It was by distributing our data and the hypothetical-deductive interpretations of previous phases into this model that we were able to generate profiles of enterprises and entrepreneurs, and to determine start-up motives, factors of success and operational difficulty. This procedure may seem long and circuitous but, in a modest and exploratory study, it provided the only hope

Figure 2
Stages of the Investigation
Strategic Analysis (Crozier and Friedberg)


Activities
Documentation
Interviews
Induction
Deduction
1. Collection of materials and information
2. Discussions - researcher and interlocutors
1. Conceptualization of the enterprise and its context: objective constraints
2. Classification - actors and issues
Analysis
3. Hypothetical-deductive analyses
enterprise's system (inputs-outputs)
leadership and decision-making (transformation)
uncertainties and constraints
issues
Conclusions
Profiles of entre-preneurs
factors of success
factors of difficulty or failure
Documentation
Interviews
1. Management model and administrative practices
• Enterprise: strengths weaknesses
• Environment: opportunities threats
2. Strategy of the enterprise
• products
• power and leadership
• culture and values
• interface between organization and environment
Strategic planning and management (Glueck)

for defining the reality of entrepreneurs and its influence on both their decision to go into business and the subsequent fate of the enterprise. A less thorough procedure, limited strictly to objective diagnoses, would not have revealed this dimension. However, a more in-depth and extended observation could not have been carried out within the deadlines imposed and the available resources.

Moreover, we can easily imagine that a process this complex requires very detailed planning in terms of models and tools, as well as for conducting interviews and training researchers.

Organization and Stages of the Investigation

To deal with these investigative objectives and profit from this research methodology, we needed to form a team, to train research assistants in the methods and objectives and organize the development and management of the work on site. Too often, we overlook the importance of these questions in a qualitative procedure in general and in the university environment in particular.

This environment does not function like an office of professionals and, at least in the humanities, only rarely frees a researcher, professor or student from his other duties and assigns him completely to a particular research subject. Students participating in the study are always of unequal training, some performing like true research professionals, while others are involved in their first research experience. Similarly, the site visits must be negotiated in relation to the university calendar, which does not necessarily conform to the agenda of enterprises. Even during the stage of data interpretation, the rules for hiring are often more related to the teaching function than the productivity of the research.

All these elements greatly influence a qualitative procedure, which always involves some degree of the researcher's immersion in the universe being observed. This not only holds true during the visits, but also during the subsequent analysis of results, which suffers a rupture and dispersal between the more purely scholastic periods and concerns.

These very real operational difficulties therefore risked producing negative effects on the development of our research, given the procedure as a whole, the novelty of the subject and the remoteness of the communities being observed. To deal with it, we formed from the outset a multidisciplinary team which included researchers, professors and students from diverse backgrounds; not only administration, but also anthropology, sociology, psychology and even theatre—for penetration of the environment and success of the interviews—contributed to this study.

We also developed a training program for research assistants, to familiarize them with the subject and context of the investigation. This operation, therefore, was aimed at a better understanding of goals and methods, while learning about the sites. The methods we used included a review of the relevant literature, discussions on research issues, objectives and methods, and conducting actual on-site interviews with either an experienced researcher, or another student researcher. To maintain the investigation's continuity, when new assistants joined the team sporadically, we repeated this training seminar procedure—with unequal results, however, due to the remoteness of certain sites and a lack of group synergy.

A second step of this methodological seminar concerned the operational planning of the research. The objective of integrating the group and negotiating a work climate and work method for the first stage was then replaced by the consideration of problems specific to each site. Each of the first three sites, and later Kuujjuaq, was thereby assigned to a single group of researchers, and this policy was maintained as far as the uncertainties of university life permitted. In fact, during a later stage of the research, and particularly during return visits to sites for verifying and enriching the data, at times it was necessary to replace some of the original researchers, who were no longer available. Nevertheless, this inconvenience was compensated for by the techniques used in processing the data (literal transcription of the interviews) and through the main researchers' familiarity with each of the sites.

The third stage marks the true beginning of on-site research. Here again, we had scheduled an initial period of more rigorous training, during which a main researcher was permanently on-site or available for assistance. After a certain period (one to two weeks), participants were reunited to discuss the difficulties encountered and how they were resolved. After this stage, the research assistants were generally ready to function with adequate confidence and without strict supervision, and the main researchers were able to devote their time to on-site investigation. In fact, this method seemed necessary for verifying the work of the assistants, ensuring the quality of the data collected and above all, for a more adequate interpretation of the data compiled by the entire research team.

Nevertheless, progression of the third stage could not entirely conform to this ideal model, as certain researchers experienced more difficulties than others; here again, the diversity of the sites, remoteness, general pace of the team, difficulties of integrating new arrivals and various practical problems prevented completely harmonious development. However, these difficulties were partially overcome through the method of collecting and interpreting data and the familiarization of the team's nucleus with the sites covered.

On the sites themselves, each researcher was strongly advised to maintain what has come to be known as a "black book" and to use it to record various events and personal impressions, based on the classical method of Malinowski.[29] For ethical reasons and confidentiality, this recommendation was not an order and, in fact, some researchers did not obey it or did not deliver this tool to the team. On the other hand, all other tools for analysis and data collection were mandatory. Each researcher had to provide a *literal transcription* of the interviews conducted during the day, which he/she arranged and corrected the same evening. This document was to record the interview as faithfully as possible; entered in the margin were certain categories of analysis, suggested by the thread of the discussion (for example, role of the band council, influence of the family, financing difficulties).

These records of interviews conducted in and around each enterprise were then organized into an *enterprise report*, which included diagnostic analysis and strategic analysis, as discussed earlier. At the same time, a *monograph* was prepared for each site which, incidentally, formed the basis of the following three chapters. The aim of the monographs was to specify the contextual elements influencing the life and development of enterprises and to allow for interpreting the results with adequate consideration to the specifics of each site. They also provided us with valuable indicators of the possibility of generalizing certain observations and conclusions.

After this stage, we were able to begin a transverse analysis of results for all of the sites: description of the number of enterprises per community, economic profile of each enterprise and distribution of enterprises by sector, study of entrepreneur profiles, start-up motives and factors of success and failure. In essence, then, we were interpreting our data with respect to our research objectives and beyond this exercise, accounting for the results of our observations.

Validation and Limits

Any methodological procedure will have merits and limitations. In the administrative sciences, the methodological debate in recent years has helped to bring out the weaknesses inherent in each approach and inject overly enthusiastic researchers with a good dose of modesty as to the validity of their results. This is obviously not the place to continue the debate, but we should at least bear in mind that the limits inherent in the procedure we chose must be assessed in the context of having no ideal, universal method which is valid in all circumstances.[30] Very real problems in our type of procedure, such as subjectivity, external validity and specificity, are also assets that would otherwise be lacking, at least in the exploratory stage of the research on native enterprises: a deep understanding of the situation and perceptions of the actors, dialogue and a perspective shared by the researcher and his interlocutor, an overall study of phenomena. However, before beginning a systematic presentation, we must clarify certain elements about the validity and limits of this study.

In this type of procedure, the validation of results is more complex than in strictly quantitative approaches. We must not only measure or verify a phenomenon or a relation between two variables, but we must discover them and discover their deeper significance. The researcher, therefore, is not outside the research process; and validation itself is more than just a mechanical, independent stage. In especially complex cases, we must often be content with organizing or "domesticating" subjectivities, rather than striving for objectivity which is artificial and, in any case, inaccessible.

Validation is therefore carried out during the entire investigative process, during organization and administration. Assuming its weaknesses with appropriate caution, the researcher must strive for constant rigour and incessant questioning of the quality of his perception of reality. In the approach we adopted, three methods were used to take advantage of the immanence of the validation process throughout the project's development.

We have already described the material organization of the research and explained it in detail. A second method arises from the discussion between the researcher and his interlocutor: the creation of hypotheses and their abandonment or confirmation during the mutual discussion requires a constant adjustment of perceptions, rendered perfectly by the term *fine tuning*. The reactions of respondents to hypotheses formulated by the researcher, the researcher's sensitivity to the interlocutor's idiosyncrasies and the identification of distortions all represent the efforts of both minds to "adjust" the truth, in other words, an ultimate exercise in validation and verification. This effort is continued in a third operation, carried out by the research team itself, through systematic comparison of perceptions and results, with the researchers then better able to detect seductions or rejections they were subjected to by particular actors, or even the site they have returned from. Returning to the sites then allows for making counter-verifications.

These three operations of verifying and validating results obviously do not remove the "debt" of subjectivity in the results. These methods are more geared towards the richness of intersubjectivity than dry objectivity, which encourages analysis and measurement but discourages broad and complex meanings. Thus, the postulate of Heisenberg is wholly adopted and the researcher will no longer be surprised that his intervention has upset the system being studied: in this type of research, there is an element of research-action, arising from the necessary cooperation between the researcher and his interlocutor.

The ultimate result and the disturbance he creates are produced again through publication of the research report, which provides subjects of the investigation with another reflection of themselves and reminds the researcher of the limits to real comprehension of complex realities.

Our investigation therefore included significant limits, and not only in terms of validation. We have already emphasized the difficulties related to organization and material operations.

These difficulties varied from one site to another. In the case of Kuujjuaq, they were so great that we were unable, as we wished, to align this community on a continuous axis with the first three, allowing for comparative analysis: problems of communication, organization of visits and penetration of the native environment itself, beyond official structures, did not allow for a deep understanding of the enterprise system. For example, the influence of the James Bay and Northern Quebec Agreement seemed decisive, but we could not draw any conclusions about the essential contribution of such structures to the promotion of entrepreneurship. Consequently, this case will only be used to emphasize the uncertainty of our results and the imprudence of making hasty generalizations. It demonstrates how much institutional and cultural factors are combined with geo-economic elements to limit the possibilities of an overly ambitious investigation (unless we content ourselves with very descriptive studies, not aimed at discovering the native entrepreneur's "invention of the world").

The reader must therefore be cautioned against generalizing results of this study, and not only because of the Kuujjuaq example. Readers will easily observe, as they progress through this work, the structural insecurity of various native communities, insecurity, nevertheless, which varies considerably from one population to another. Health, education, remoteness, history and many other variables add to the uncertainties of carrying out the study and remind us, once again, of its modest and exploratory nature.

Nevertheless, one conclusion seemed more obvious to us. It relates to the admiration we all felt for the tenacity of native people—which at times has an element of stubbornness—and their ability to start up interesting and viable enterprises, in spite of adverse conditions.

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[19] Frédéric Godefroy, *Dictionnaire de l'ancienne langue francaise et de tous ses dialectes du IX^{e} au XV^{e} siècle [Dictionary of the Old French and all its Dialects from the IXth to XVth Centuries]*, Paris, 1880. Godefroy finds the meaning of "rights, adventures, emoluments, seigneuries" (1305); of "profits, exploits, adventures, and emoluments of the said rents or pensions" (1345), to summarize the general significations of "potential product" with the quotations showing the product of fishing or an olive harvest (cited by Nerlich).

[20] Nerlich, *op. cit.*, chapter 7: "The Merchant Adventurer. The Triple Birth of the Capitalist."

[21] C.M. Baumback and J.R. Mancuso, *Entrepreneurship and Venture Management*, Englewood Cliffs (N.J.), Prentice-Hall, 2nd ed., 1987.

[22] The reader may refer to Nerlich, whose demonstration—very complete and well-documented—could only be outlined here.

[23] P. Jarniou, *L'entreprise comme système politique [The Enterprise as Political System]*, Paris, PUF, 1981; G. Burrel and G. Morgan, *Sociological Paradigms and Organizational Analysis*, London, Heineman, 1979, chapter 6 and 7: "Interpretive Sociology" and "The Interpretive Paradigm and the Study of Organizations."

[24] Bherer and Joyal, 1987, *op. cit.*

[25] Béliveau *et. al., op. cit.*

[26] M. Crozier and E. Friedberg, *L'acteur et le système [The Actor and the System]*, Paris, Seuil, 1977; R. Sainsaulieu, R. Exiga, F. Piotet and P.-E. Tixier, *L'analyse sociologique des conditions de travail. Guide pratique [Sociological Analysis of labour conditions. Practical Guide]*, Paris. ANACT, 1982.

[27] W.F. Glueck, *Strategic Management and Business Policy*, Toronto, McGraw-Hill Books, 1976.

[28] Obviously, a more complete presentation may be found in the work of Crozier and Friedberg, op. cit.. For a perspective closer to the research operations, consult also: A. Exiga, F. Piotet and R. Sainsaulieu, *Analyse sociologique des conditions de travail [Sociological Analysis of Labour Conditions]*, Paris, ANACT, 1982. Glueck's strategic management model is found in his classic *Business Policy and Strategic Management, op. cit.*

[29] B.K. Malinowski, *Carnets [Notebooks]*, Paris, Fayard, 1985.

[30] C. Argyris, among others, has shed much light on the weaknesses of the traditional, objectivist, quantitative approaches, in *Inner Contradictions of Rigorous Research*, New York, Academic Press, 1980. Further considerations on this theme and the qualitativist theme may be found in: Bherer *et. al., Le renouveau méthodologique en sciences humaines: recherches et méthodes qualitatives [Methodological Renewal in the Humanities: Qualitative Research and Methods]*, GRIR, University du Québec à Chicoutimi, "Methodological Renewal" collection, 1985.

SITES

The second part of this work includes a short monograph on each of the three communities involved in our study; it is divided into three chapters: Wendake, Mashteuiatsh and Mingan. These texts provide the reader with an appreciation of the historical, geographic and demographic dimensions of each community. However, they are not structured in a strictly parallel manner; in the interest of convenience, and to take up less space, we adjusted the presentation of elements in relation to each community's characteristics. Consequently, for Mingan, we will discuss certain epidemiological aspects, because of their importance in that community, but these aspects will be omitted for Wendake, where these problems seem neither important nor of special interest. For Wendake, the discussion will spend less time on general aspects and more on the very original entrepreneurial culture that seems dominant there.

Essentially, these limited monographs involve two elements. The first, dealing with general data, adopts the conclusions of previous studies, while adjusting them for the observations we were able to make on site. Our aim is not to replace previous, well-documented works, and even less to engage in the disputes between schools and interpretations brought about by certain elements of social and institutional history in our three communities. We were satisfied with referring to the simplest, most universally agreed upon facts, to allow the reader some perspective concerning the contextual elements surrounding the development of native entrepreneurship.

Moreover, since our presentation of these three communities is not undertaken for its own sake, we will not attempt a complete coverage; we will only seek to relate important environmental data and the emergence of viable enterprises in each community. Therefore, these three monographs were structured and prepared with respect to our research concerns.

CHAPTER III

WENDAKE, CAPITAL OF THE HURON-WENDAT NATION

Decimated by wars and epidemics, the Huron nation today lives far from its original home. "Wendat" means "insular" or "inhabitants of a peninsula"; formerly, the historical site of Huronia was centred around the peninsula marked off by Georgian Bay, Lake Simcoe and Matchedosh Bay, in southern Ontario.

HISTORY

It is certainly worthwhile to recall how the Hurons, far from their distant Huronia, made a tiny hamlet north of Quebec City the centre of their continued existence. Historians estimate the Huron population, at the time the Europeans arrived in America, at somewhere between 12,000 and 30,000. We will recall the famous expedition of Champlain against the Iroquois, his stay in Huronia during the winter of 1615 and the close alliance between French and Hurons. Further south, the English and Dutch traded with the Iroquois, who then sought out new territories. Old hatreds, combined with the conflicts between European nations and diseases resulting from contact with the white man, led to the fall of Huronia.

At the beginning of March 1650, 300 survivors undertook the journey towards Quebec City and some of them settled in Montreal and Trois-Rivières. But the majority arrived in the capital, where they were received and taken care of by the Ursulines and Jesuits. They were allowed to settle on 120 hectares of land on Ile d'Orleans, which they cleared and sowed. Around 1657, they left this spot for various destinations. Sillery, Quebec City, Beauport, Ste. Foy and Ancienne-Lorette all received the Hurons and Sillery, at least, belonged to them by royal proclamation. Around 1697, they finally arrived at Lorette, near the St. Charles River, the current site of Wendake.

The original area of Wendake was considerably reduced following a commercial transaction with a white settler. Other territorial amputations took place on lands spread throughout the Quebec City area, which belonged, and perhaps still rightfully belong, to the Huron nation: Lorette forestry reserve, the Sillery seigneurie (a dispute which ended in 1896), the Roquemont county territory.

Later, we will return to the constraints that current territorial limits impose on the development of the Huron nation. In ending this brief history, it is important to note the personality traits which the Huron nation seems to have demonstrated through the ages[1].

The Hurons were a sedentary people. In spite of the many "great upheavals" they experienced between 1650 and 1697, the original core group did not disperse and was not tempted by the nomadic life, like the Algonquins, for example. This attitude already seems remarkable since, at that time, the French authorities (especially religious authorities) had great difficulty in restraining their own young people and preventing them from answering the "call of the forest". May we consider this ability to start over, after one or more often very painful failures, and the ability to endure, as being hereditary and profoundly rooted in the Huron culture? In any case, we will see further on that Huron entrepreneurs still manifest these traits today.

Another aspect of Huron history which appears important for our study is its long commercial tradition. This sedentary people of Georgian Bay occupied strategic territory, allowing them to maintain a true commercial monopoly over the entry of goods coming from Ontario through the St. Lawrence Valley. They exchanged their agricultural surpluses and various handicraft products (steel axes, for example) for furs and other articles brought by the nomadic peoples. The commercial network extended from the great lakes Michigan and Superior into central Quebec. Here again, the commercial tradition of Wendake seems to have deep roots.

We cannot conclude this extremely short survey without pointing out two other personality traits noted by all observers: pride and the feeling of belonging. If there are still Hurons left today, despite the loss of their original language, it is as a result of such feelings. Decimated and forced out of their native Huronia, the Hurons were well-received and looked after in Quebec City. But, from the outset, it was their work on the Ile d'Orleans farm that provided for their shelter, food and survival. From exile to exile, they developed this sense of pride and belonging still evident in Wendake's personality today and reflected in the spirit of independence and autonomy shown by its entrepreneurs.

POPULATION

According to information available to the band council at the time of our investigation, the Huron reserve at Lorette currently has 1,200 inhabitants, of which 1,050 are Hurons. This represents 84 per cent of Quebec Hurons—the Huron nation has 1,250 members —living on the Lorette reserve. In 1961, the reserve had 765 inhabitants. In 23 years, therefore, there has been an average annual increase of 2 per cent. This growth rate, while not spectacular, is still a positive aspect when compared with other reserves where the *migratory rate* is negative.

Also in 1961, 39 per cent of the village population was non-Indian (300 non-natives in a population of 765 inhabitants). In other words, the increase in population during the past 20 years has been exclusively Huron. It is worthwhile noting that, in these statistics, the term "non-Indian" included Hurons who had lost their status after marrying Whites while continuing to live on the reserve. Christian Morrissonneau points out that, until the 1960s, "there was concern about people leaving. Today, the movement has reversed; people are coming from the United States".[2] The following factors promote an increase in Wendake's population:

- Proximity to a large urban centre offers easily accessible education and work possibilities: it is possible to work and study off the reserve while continuing to live there. This factor helps keep the young people on the reserve and thus maintains a certain dynamism.

- Certain advantages of living on an Indian reserve (income tax, property tax, free land) are reinforced in the geographical context of Wendake.
- A home construction program implemented by the band council —which allows an Indian to borrow up to $40,000 at a fixed rate of 7 per cent over 20 years to build his home—promotes the return of retirees and maintains the existing population.

TERRITORY

Located some 15 kilometres outside Quebec City, occupying an area of 263.75 acres, the Lorette reserve forms a rectangle of slightly unequal dimensions. Built lengthways on the north-south axis, the village is cut in two by the railway tracks. The southern part, which runs from Bastien Boulevard to the railway tracks, constitutes the old village. This section includes businesses, some factories and private residences. Built along narrow, tortuous streets, the houses are old, but attractive and well-maintained. The section of the reserve located north of the railway tracks, which extends to the St. Charles River, looks entirely like a modern suburb. Development of this part of the village began 15 years ago. In addition to bungalow-style private residences, there is an industrial park, an elementary school and a playing field. The significant feature of the reserve's territory is that it is so compact. This problem is nothing new, since Christian Morrissonneau wrote in 1968: "The reserve has become too narrow, this is one of the leitmotivs in the claims of Chief Max Gros-Louis and the council".[3]

Despite the fact that the Department of Indian and Northern Affairs enlarged the reserve 20 years ago, this question of lack of space continues to be a problem. At the time of our investigation, the manager of the band council felt that if construction continued at its current rate (10 houses per year) then, in five years, there would no more room to build new homes. A strip of land is still available north of the reserve, but this land is on a slope, which makes the work of setting up infrastructures more complex and more costly. As for the industrial park, six sites remain (two of

150 x 135 feet and four of 800 x 135 feet) which could accommodate small- and medium-sized facilities.

To provide Wendake with enough space for it to continue its development, INAC has been negotiating for several years now to purchase lands bordering the reserve. Entirely wooded, these lands belong to the city of Ste. Foy. It goes without saying that the discussions are delicate, since the municipality of Ste. Foy could demand a considerable sum in compensation for the potential loss of tax revenues.

Finally, we should note that several years ago, the band council adopted a development plan, soon to be accompanied by town planning, to determine how space on the reserve will be used.

RESOURCES

The Lorette reserve has no natural resources which could be profitably developed. Already too small and almost entirely used as residential land, the territory does not allow inhabitants to practice any activities related to primary industry, whether in agriculture or forestry.

In addition, the Hurons of Lorette have no specified grounds for hunting and fishing—negotiations are in progress with the Quebec government to allocate an area in the Laurentides park—such that development of wildlife resources could never be included as a significant economic activity. At the time this study is being written, there is talk of licensing an "outfitter" in the Tourilly sector of the Laurentides park; it would constitute a new enterprise, which would offer services to outdoor enthusiasts, rather than a reserved area.

Since 1982, some Lorette Hurons have been members of the Association des chasseurs, trappeurs et pêcheurs hurons [Huron Hunting, Trapping and Fishing Association]. With some 200 members, this association's priority is to negotiate specific hunting and fishing rights and to obtain the reconveyance of lands which are historical sites where the Huron nation stayed.[4]

Though Wendake's entrepreneurs have trouble setting up economic activities in the primary sector, the geographic situation of the village is nevertheless advantageous to the development of other economic activities, such as trade and tourism. In fact, the proximity of Quebec City offers a significant market for Wendake's manufacturers, craftsmen and tradesmen. They either sell some of their products to stores and specialized boutiques in Quebec City, or directly to tourists visiting Wendake.

The summer season is especially favourable for tourism. In addition to tourists nostalgic for the cowboys and Indians of their childhood, travel agencies also direct tour buses to the reserve. Received by guides, tourists are directed to "historical monuments" (the museum and church) and receive cards from most manufacturers, retailers and craftsmen. In addition to direct contact with a "real" Indian, they can save the sales tax on products.

However, tourism does not involve only positive aspects. One craftswoman told us that she refused to receive "busloads of tourists" because she "has everything stolen". She added that one of her competitors was obliged to raise his prices to compensate for losses due to theft. We should add that the summer season has two peak periods for craftsmen and manufacturers. There is the pow-wow in July and the Loretteville leather festival in August. In addition to increasing retail sales, these events help fill order books, by allowing manufacturers to meet with store buyers and wholesalers.

Proximity to a large urban centre also affords Wendake's entrepreneurs easy access to a range of private and public services. For example, we could cite financial and legal counselling which enterprises sometimes require. We could also cite INAC's regional centre in Quebec City; in the past, the presence of this centre allowed Huron entrepreneurs to have quick and inexpensive access to business assistance services provided by the economic development section of the Department of Indian and Northern Affairs.

BAND COUNCIL: ORGANIZATION AND ISSUES

Control of the Wendake band council changed hands several times between the beginning of this study in 1984 and the present day. Some interpret these changes as signs of a profound reorientation; elements of conflict were perceived between a community orientation on the one hand, more geared towards institutional development and native claims, and another more geared towards independent development and entrepreneurship. In both cases, the same basic land claims are maintained; it is the means of bringing them about and accelerating economic development which appear to differ: the spirit of community and institutions, granting a more direct role to the band council in economic development, or the spirit of initiative and private enterprise.

In any case, at the time of our investigation, the band council had at its disposal a budget of nearly three million dollars (in addition to a fund of two million allocated for home construction) for administering the various programs financed by INAC, in other words, social services, recreation, police and education.

As for economic development, the band council's role still appears to be quite limited. In the past, the council guaranteed loans for enterprises. This practice was quickly abandoned, however, because the enterprises involved went under, involving losses for the council. INAC then entirely replaced the council for guaranteeing industrial and commercial loans.

Contrary to other reserves which have hired an economic development officer, the Wendake band council had not implemented any kind of structure or staff that would confirm its leadership role in economic development. This situation has since been corrected. Lack of structure does not mean, however, that the council does not contribute to the village's economy. Its support may be characterized as follows:

- The council has 21 permanent, full time employees, which represents an aggregate remuneration of approximately $400,000.
- Through an employee responsible for social services, the council administers various job-creation programs. These are temporary jobs devoted to community activities. For example, the construction of a cultural centre financed by INAC provided jobs for 6 persons over 24 weeks. The council also helps provide work for students: each summer it creates a certain number of temporary jobs (about 30 according to the band manager) through government projects.
- The development of an industrial park, with sites that can be leased for less than $100 per year, represent an attractive infrastructure for anyone wishing to start up an enterprise in Wendake.

- Finally, the existence of loans for home construction, which we already mentioned, constitutes a distinct advantage for residents of the village. This fund contributes to maintaining activity in this field, as about ten new homes are built each year in Wendake.

ENTERPRISES

Number

According to a list made by the Department of Indian and Northern Affairs in the summer of 1984, which we complemented with our research, Wendake has nearly 50 enterprises, of which 10 are in manufacturing, 8 are handicraft workshops (manufacture and sale) and 29 are commercial establishments or services varying widely in size and type. We had to strike from this list a certain number of special enterprises, in order to adhere to the definitions set out in the previous chapter: insurance brokers, catalogue sales persons, various sales representatives, etc. Moreover, some enterprises, especially in the field of snowshoes, had disappeared between the time of the Department's list and our own. This left us with 30 organizations to study, of which there were 27 enterprises and 3 non-profit organizations, distributed as follows:

- handicrafts: 8 (sales and manufacturing: 5; sales only: 3)
- retailers: 6
- manufacturers: 9
- services: 4
- OSBL: 3

Since we met with practically no refusals on the part of entrepreneurs to collaborate in our study, we feel that we contacted nearly all the visible and significant enterprises in Wendake.

Size

Wendake's enterprises have a common characteristic, that of being small. Information provided by the band council and that collected during our visits indicates that only one enterprise employs more than 20 persons, while three others have a staff of 10 employees. In most cases, the number of employees ranges from 3 to 5 persons.

Ownership

The vast majority of enterprises in Wendake are sole proprietorships. Most enterprises outside this category are non-profit organizations, cooperatives or single family associations. The rule which clearly prevails in the village is for entrepreneurs to be sole proprietors of their ventures. Moreover, many entrepreneurs, especially craftsmen, had not obtained legal status for their enterprises, saying they "didn't see the point".

Nature of Activities

We could divide Wendake's enterprise's into two broad sectors. First, considering the size of the community, there seem to be a large number of commercial establishments and services of considerable size: garages, service stations, repair shops, tire services, hairdressers and grocery stores are developing at a rate rarely seen with similar enterprises in white villages in the suburban Quebec City area. It is clear that these businesses have been able to attract and develop a clientele outside Wendake.

Another sector, however, appears to be the driving force of exports from the reserve: handicraft products, whose "Indian" character is very pronounced. Manufacturing enterprises, in particular, are almost exclusively geared towards Indian products: snowshoes, canoes, moccasins and leather items. Only one enterprise, formerly specializing in the production of snowshoes, has transformed itself to produce a range of products that have nothing to with the traditional culture: ladders and stepladders. Another manufacturer is currently experimenting with diversification by adding furniture production to snowshoe production; however, these pieces of furniture are not completely divested of Indian character, since the backs and seats of the chairs are woven with babiche [thongs made of animal skin].

Products manufactured on the reserve today are in fact former utilitarian objects which are custom-made and intended for personal use instead of the market. By abandoning the ancestral way of life, the Hurons created a commercial activity out of making these utilitarian objects which are still manufactured with handicraft quality.

At the end of the 1960s, and increasingly during the 1970s, the manufacturing of canoes, snowshoes and moccasins became more of an industrial production. Many craftsmen left their basements to create small enterprises willing to export. As clear as it has become, this emergence of the manufacturing industry in no way signifies the end of the "hand made"; handicraft enterprises maintained an important share of the production destined for the consumer market. On the other hand, SAGMAI (Secrétariat des activites gouvernementales en milieu amérindien et inuit [Secretariat for government activities in native and Inuit environments]) estimates that "up to 60 per cent of product manufacturing is done manually by subcontractors (this includes lacing of snowshoes and pleating of moccasins).[5] This practice is due essentially to three factors: product quality and originality, reduction of manufacturing costs and, in some cases, lack of appropriate technology (for example, no machine exists that can lace snowshoes correctly).

Indian character is still very evident, therefore, in the products of craftsmen and manufacturers. This creates some advantages in terms of marketing and attracting consumers. For example, one craftsman said that, to find a buyer, he only needs to add some feathers to objects which are otherwise mundane.

For craftsmen, the market has two types of consumers: the connoisseur who "knows what is good" and the average consumer seeking a "souvenir". Craftsmen have adapted to this duality and manufacture two types of products, either collector's items sold at low prices (pipes, leather clothing, terra cotta masks), or a host of souvenir items (pearl necklaces, headbands, dolls, keychains, tomtoms, tomahawks) which they now call "knick knacks" and "trinkets".[6] Craftsmen generally prefer to work at producing collector's items, as these objects have a unique character, sell for more money and generate pride and gratification (several Wendake craftsmen have works exhibited in various Canadian museums). But, since the collector's market is limited, they succumb to mass market requirements and manufacture "knick knacks", with *primum vivere* being their sole motivation.

Issuing from Indian traditions and lifestyles, the majority of products manufactured on the reserve seemed intended for the recreational and seasonal market (outdoor activities). Snowshoes, canoes and "pichous" [heavy woolen socks] are no longer utilitarian objects, but equipment for seasonal recreation. Consequently, the fate of enterprises appears to be closely linked to fluctuations in recreation, climate (a winter without snow reduces the snowshoe market) and economic circumstances (in a recession, consumers spend less on recreation and stick to buying essentials). Craftsmen are especially dependent on economic circumstances, as they sell products intended to be "shown", though in a recreational manner, rather than consumed. We must point out, however, that certain consumers, especially foreign tourists, purchase utilitarian objects, snowshoes, for example, for strictly decorative purposes; this further reinforces the desire of craftsmen and Huron enterprises to manufacture quality, well-made products (warping of the wood, quality of mesh and lacing, etc.).

Sales Figures

It is difficult to give the exact sales figures for enterprises. Most owner-managers have no financial statements in due form and have no interest in "showing their figures", on the pretext that such data are confidential. Producing annual financial statements is not considered necessary, especially among craftsmen. Of the 30 owner-managers we met with, a little more than one-third produce annual financial statements. Those who do not explain that it costs too much (hiring an accountant) and is worthless to them ("we don't need them, we don't pay taxes").

Nevertheless, the lack of financial statements in due form must not be interpreted as carelessness in the financial management of the enterprise. In general, Wendake's entrepreneurs have specific *sui generis* indicators of profits and losses, for their personal use. It seems that establishing financial statements, for these entrepreneurs, is related to the constraints of the tax department and the "indiscretion" of subsidizing organizations. Those who do not pay income tax and receive no subsidies consider the work of public accountants to be superfluous, as they perform their own financial auditing.

Information collected on sales figures for enterprises was therefore based on verbal sources and impossible to verify. For example, of the nine entrepreneurs willing to provide information on their 1983 sales figures, five had less than $100,000 while the other four ranged between $100,000 and a little less than $600,000. The highest figure was about $560,000. We should note that a snowshoe manufacturer previously had sales approaching one million dollars during the 1970s. A significant decline in the snowshoe market had caused a 75 per cent reduction during our stay.

The information we were able to obtain indicates that most enterprises had annual sales of less than $100,000, especially in the individual and family handicraft sector. However, some manufacturing and services enterprises regularly turn in annual sales exceeding $250,000. In addition, some enterprises reach sales of half a million dollars and more. The reader will recall that this is only an estimate and that this information, while objective in theory, is subject to considerable interpretation and variation, according to the entrepreneurs themselves. However, it coincides fairly well with the idea entrepreneurs have of their sphere of action and the motives for starting up enterprises that we will study further on (for example, providing jobs for one's family, while still having time to live).

Market

The market for Wendake enterprises is mainly Canadian. In addition to a local and regional market (metropolitan Quebec City area), which includes a population base of 525,000 people, the enterprises sell primarily in Quebec and Ontario, followed by the West and the Maritime provinces. In some cases, the American market accounts for a considerable portion of sales. For example, one snowshoe manufacturer sends out 70 per cent of his production to 15 states in the northern United States. In addition, a canoe manufacturer has just reached an agreement to sell more than half of his production to an American wholesaler.

Europe is not included among the major clients of either manufacturers or craftsmen. Several years ago, snowshoe manufacturers and INAC attempted to penetrate the market in France, but this operation failed. Aside from some occasional clients, crafts do not sell on the European market either. During the summer of 1984, the Corporation des artisans indiens du Québec attempted to promote handicraft products in France, but without success.

WENDAKE: SUMMARY

Wendake may be seen as an important cultural and economic enclave near Quebec City. Despite the disappearance of the Huron language, this people's culture continues to influence the social and economic life of the small village. In several respects, Wendake appears to demonstrate Schumacher's *small is beautiful* concept: high degree of autonomy among individuals, families and organizations, active and enlightened political debate over State dependence, creative unemployment and use of ancestral techniques in manufacturing products adapted to modern conditions. In chapter VI, we will see the enterprising spirit which has allowed for such realizations. However, before adopting this perspective, we must first present the other communities covered by this study.

NOTES

[1] On these aspects, it is worthwhile to consult the engaging and very well-documented work of Marguerite-Tehariolina Vincent, La nation huronne, son histoire, sa culture, son esprit [The Huron Nation, its History, Culture and Spirit], Québec, Editions du Pélican, 1984.

[2] C. Morrissonneau, Population et développement du village huron [Population and Development of the Huron Village], Master's dissertation to the Geography Institute of Laval University, 1968, p. 41.

[3] *Ibid.*

[4] We must also mention a recent Supreme Court decision which granted Hurons the right to use the territory located on the northern shore of the St. Lawrence, between the Saguenay and St. Maurice rivers, obtained through a treaty with General Murray in 1760. The Quebec government has appealed the decision.

[5] SAGMAI, Nations autochtones du Québec [Aboriginal Nations of Quebec], Quebec City, Editeur officiel, 1984.

[6] On this subject, see the excellent work of Diane Lefebvre, Essai critique d'une esthétique de la différence [Critical Essay on an Esthetics of Difference], Master's thesis in anthropology, Laval University, Quebec City, 1987.

CHAPTER IV

MASHTEUIATSH

GEOGRAPHICAL SITUATION

The village of Mashteuiatsh is located on the Western shore of Lac Saint-Jean, eight kilometres from Roberval. Mashteuiatsh is only accessible by road; no public transportation, no trains, no buses serve the reserve; a landing strip is located ten kilometres from the village and float planes can land six kilometres away.

Ouiatchouan Street is the village's main street. It borders the lake and crosses the reserve from one end to the other, then connects with Highway 169 to St. Prime or Roberval (figure 3). Mashteuiatsh has two other significant arteries: Petit Rang, which allows access to lands in the interior and cuts the entire territory in half vertically; and the Cemetery Road which runs horizontally to connect the main street with Petit Rang. The reserve has other secondary roads that lead out onto Ouiatchouan Street or the Cemetery Road. Railway tracks cross the village along its north-south axis.

The majority of homes are built along Ouiatchouan Street, with another cluster along the Cemetery Road and the secondary roads. The few farms on the reserve have access to Petit Rang road. The band council, community clinic, savings bank, and food cooperative are all located, with the majority of businesses, along the main street. However, the church, museum, handicrafts

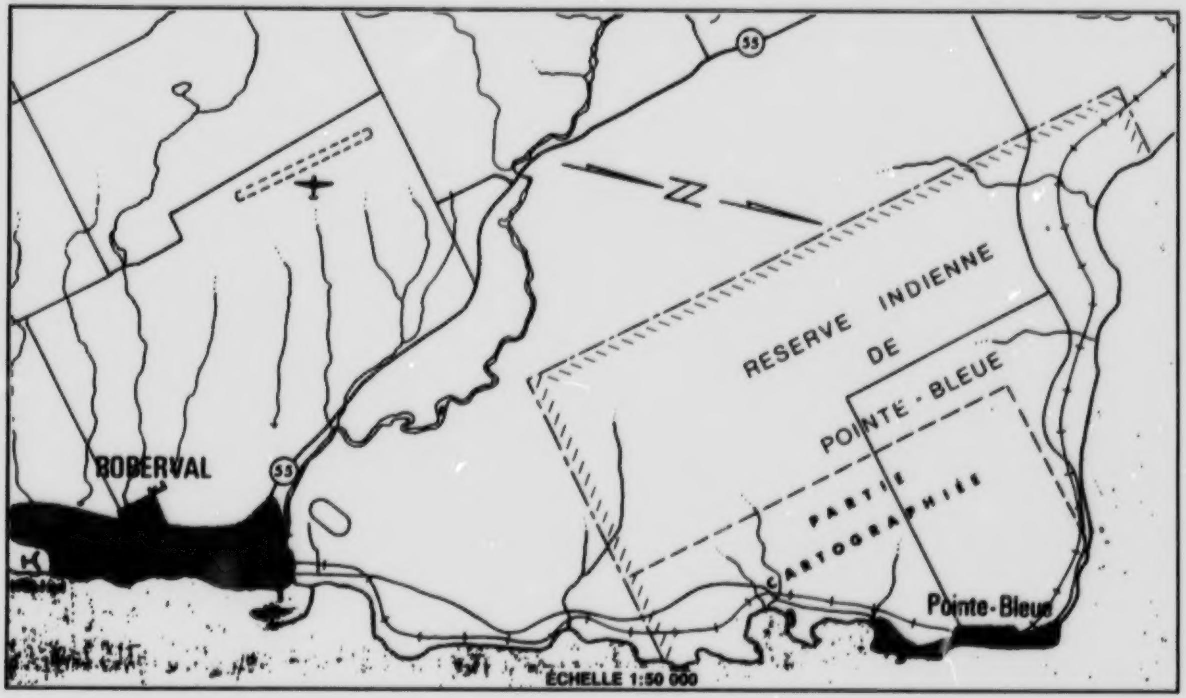
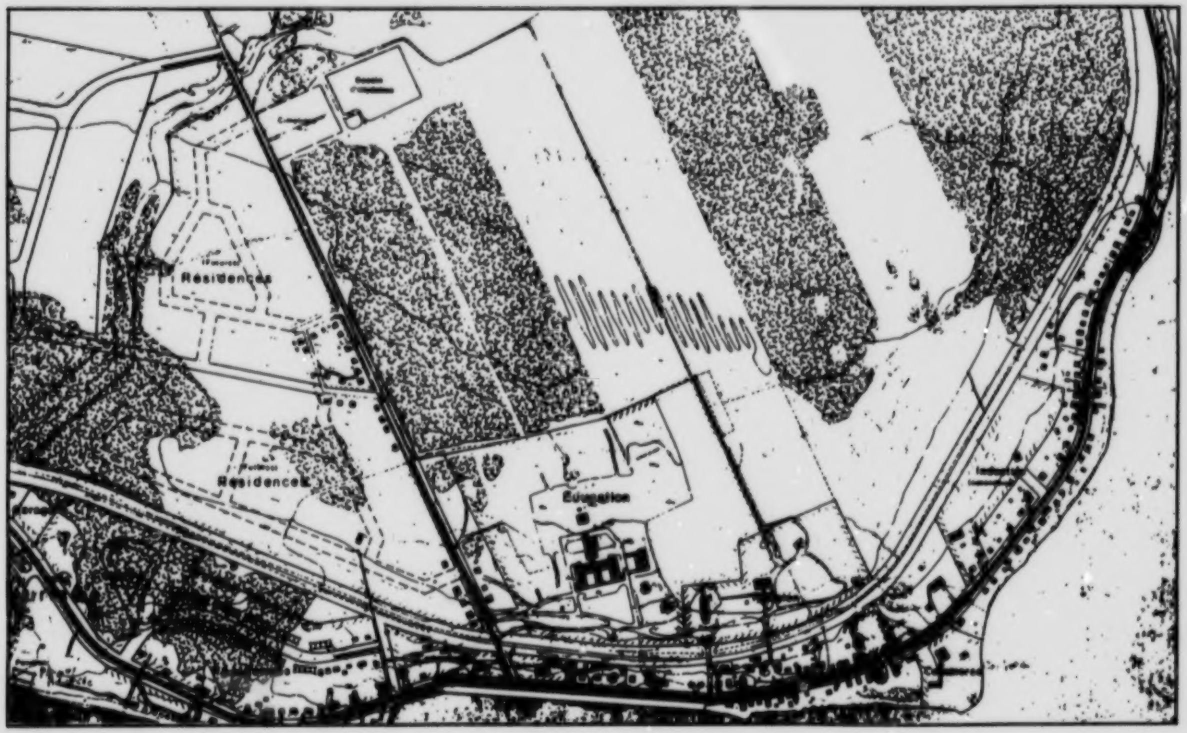


Figure 3
Village of Mashteuiatsh



Source: A. Connolly, *Les Indiens montagnais du Québec*, Chicoutimi, 1972.

cooperative, school and sports centre are located near the Cemetery Road. This distribution of services and community life, with which Mashteuiatsh seems well-equipped given its size and remoteness, is not without symbolism, as we will see further on.

In 1982, a study of the Attikamek-Montagnais Council reported 291 homes, with a ratio of 4.5 inhabitants per residence. The quality of homes for old people and welfare recipients leaves something to be desired, but the main problem is caused by an inadequate number of homes for persons wanting to move to the village, to live in the community they belong to.[1]

Because the Saguenay-Lac-Saint-Jean region went through agricultural development, the native hunting grounds are now more than 50 kilometres from the village. Mashteuiatsh hunters and trappers have the Roberval reserve to exercise these traditional activities. This reserve was divided into territories for trappers and their families. It has a wide variety of game.

A large portion of Mashteuiatsh's population traps on weekends and makes traditional use of the territory; only a few individuals exercise this profession several months of the year and trap commercially, especially for muskrat, beaver and mink. The region is hydrographically rich, although various hydro-electric dams around the lake are upsetting the ecological equilibrium of the flora and fauna. Moreover, it appears that the waters fished by Mashteuiatsh native people are polluted with mercury; a 1976 study on the toxic effects of mercury at times showed abnormally high rates among the population.[2]

HISTORY

The history of the Mashteuiatsh reserve and its inhabitants cannot be understood without returning to the remote context of initial trading between the French and natives at the mouth of the Saguenay River.

The natives of Saguenay first traded with the French at the Tadoussac trading post. They traded furs, above all, for steel products brought from Europe. For the French, the Tadoussac Indians were "Montagnards" [mountain dwellers] or "Montagnais", because they lived in the neighbouring mountains. The

Indians called themselves Kakouchaks (or Porcupines), for their animal namesake.[3]

An agreement was quickly made between the French and Kakouchaks, making the Kakouchaks the sole intermediaries between French ships and natives of the interior. The Kakouchaks then had a vast hunting ground at their disposal. The commercial network extended well beyond their national land, to include the entire hydrographic basin of the Saguenay and Lac Saint-Jean.

> The Jesuit Jean de Quen offered to accompany them himself, which they refused: . . . "this made them somewhat uneasy", he wrote, "since they do not want the French to learn about their trade, nor what they give to other Indians for their pelts; and this is concealed so well that nobody could discover it."[4]

Until the middle of the XVIIth century, the Kakouchaks maintained a trading monopoly with the French. However, increasingly frequent contacts with White men quickly resulted in some major inconveniences: smallpox, competition between English and French which led to the closing of the Tadoussac trading post, ravages of alcoholism and terrible famines, and the consequences of abusive land development. These difficulties soon threatened the survival of the Kakouchaks. For a certain period, to continue hunting and trading, they accepted foreigners (in other words, natives from other nations) into their nation.

The Saguenay natives then experienced an increased European presence through the conveyance of Canada to England. The British government made a commitment to bring under its protection the "Savages" allied to the King of France:

> Article 40 of the Montreal capitulation reads as follows: "The Savages or Indians allied with his Very Christian Majesty will be preserved in the lands they inhabit. Should they wish to remain there, they shall not be disturbed under any pretext whatsoever; they will have freedom of religion, as for the French, and will keep their missionaries."[5]

After the royal proclamation of 1763, various treaties were negotiated, through which the British Crown made commitments to set up reserves for the use of Indians and ensure them other advantages (payments, pensions, education, etc.) in exchange for which the Indians were to transfer the titles for ownership of their lands. These land transfers were not signed, but there was legislation concerning "the Indian properties", and the law even specifies who may be considered an "Indian". In his study on Saguenay natives, Simard points out that these laws introduce the notion of native status, a status defined by White law with the sole purpose of limiting access to land ownership and the rights attached to it.

In any case, the British recognized the territories as being "reserved" for natives. This first land ownership plan, which some qualify as "parallel occupation" or "internal exile", is the basis for today's reserves.[6]

The Ouiatchouan reserve was established in 1856; "[. . .] the first official step in this direction was carried out by Peter McLeod in 1852, aimed at obtaining the county of Metabetchouan for the Indians of the area".[7] The borders of the Ouiatchouan reserve were frequently changed, to the benefit of neighbouring parishes. Little by little, the reserve became known as Pointe-Bleue. In 1866, the Hudson's Bay Company opened a trading post there and, in 1875, the Oblate fathers arrived. The first band council was instituted in 1882. In 1987, the Commission de toponymie du Québec recognized the name Mashteuiatsh, which means "where there is a point", for the Pointe-Bleue reserve.

POPULATION

Demography

At the time of our first visit to the site, the total reserve population was 1,977 inhabitants, compared to 1,878 in 1921. There were also 549 off-reserve inhabitants. The percentage of the population living on the reserve would be even higher if the housing problem were not so acute.

In absolute figures or percentage (table 4 and figure 4), we may observe that, with respect to the total band population, there are more women, especially between the ages of 25 and 34. Women account for 51 per cent of the band population, whether on or off the reserve. Young people under age 19 account for 30 per cent of the band population. The age structure is narrow at the base: persons aged 70 to 85 and older (men and women) account for 5 per cent of the population, in other words, almost as much as the 0-4 year old category, which is 135 persons or 6 per cent. Relative to Quebec and Canada, the reserve population is aging, which means a heavy economic burden for adults of working age.

Table 4
Pointe-Bleue Indian Population
Living On and Off Reserve on December 31, 1984
by Age and Sex

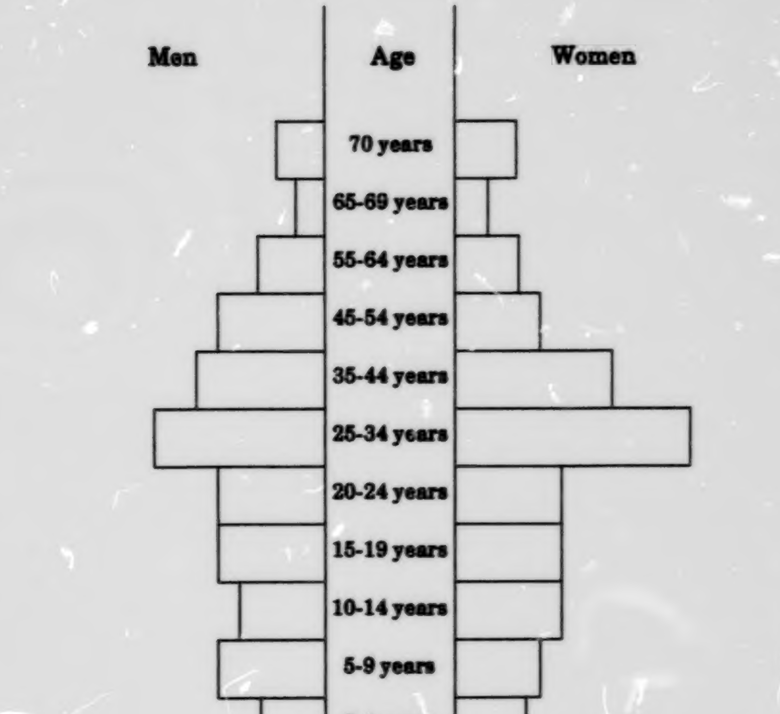
Age	Total	Men	Women
0-4 years	135	69	66
5-9 years	194	105	89
10-14 years	168	75	93
15-19 years	196	95	101
20-24 years	207	104	103
25-29 years	208	81	127
30-34 years	146	79	67
35-39 years	153	76	77
40-44 years	125	53	72
45-49 years	105	52	53
50-54 years	71	38	33
55-59 years	65	34	31
60-64 years	57	29	28
65-69 years	48	21	27
70-74 years	42	24	18
75-79 years	21	10	11
80 years and older	36	15	21
Total	1,977	960	1,017

Source: Canada, Department of Indian and Northern Affairs.

Figure 4
Pointe-Bleue
Age Structure

Total population = 1,977 persons
(960 men and 1,017 women)

On reserve population = 1,428 persons
(713 men and 715 women)



Source: Canada, Department of Indian and Northern Affairs, *Registered Indian population by age, sex and residence for bands*, Ottawa, 1986.

In 1961, the population of Pointe-Bleue was young, like that of Quebec, which is no longer the case today. In comparing the same categories, we see the following:

Categories	1961	1984
0-14 years (children)	40%	24%
15-64 years (adults)	54%	67%
65 years and over (elderly)	3%	7%

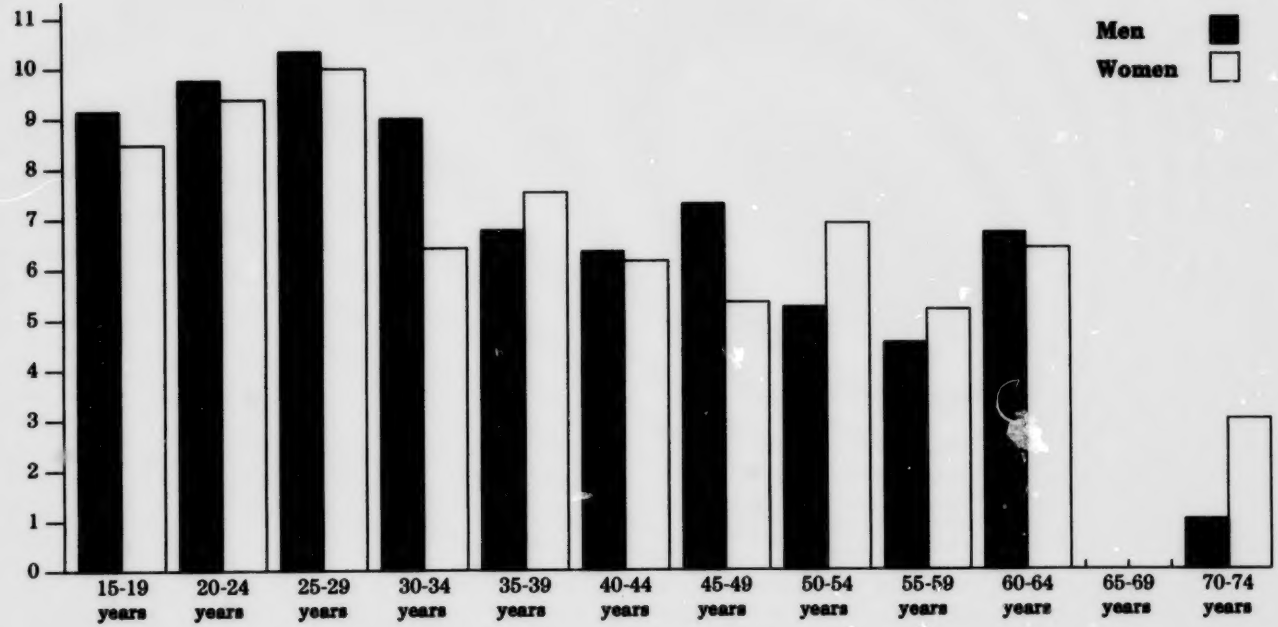
Education and Employment

Children on the reserve attend primary classes at the Amisk school. At the secondary level, the vast majority of them go to Roberval or Saint-Félicien; transportation is provided by a resident of the reserve. Some of them attend secondary school in another town in the region (Alma, Arvida, Jonquière, etc.) or outside the region (Quebec City, Montreal). College-level students may attend four regional institutions; for those at university level (25 in 1984), their choice depends on various personal, professional or financial factors.

The level of schooling was barely 10th grade in 1976; this average has probably since been surpassed, given the emphasis of bands on education in recent years (adapted programs, literacy, etc.). In 1983-1984, SAGMAI's data on the Montagnais student population of Mashteuiatsh showed 296 students in primary, 140 in secondary, 35 in CEGEP and 25 at university.

If we relate these data to the population's distribution by age groups (Figures 4 and 5), we see that the population eligible for the college and university level (young people between the ages of 16 and 25) for the entire band was 300 persons: how many will find jobs on the reserve, or off the reserve, and how many will live off unemployment or welfare benefits? As with all remote reserves in Quebec, the Mashteuiatsh Montagnais are faced with the problem of their young people, with no specialized training, hard hit by unemployment, a situation which results in social problems, such as alcoholism and suicide. In fact, the population of Mashteuiatsh has experienced high suicide rates in recent years.

Figure 5
Average Years of Schooling by Age Group and Sex
Pointe-Bleue (1976)



Source: C. Ménard, *Enquête sur la population active du Québec [Study of the active population of Quebec]*, Government of Quebec, section recherche et évaluation, 1978.

In 1978, the unilingual French population was 44 per cent; 19 per cent spoke Montagnais and French, 21 per cent English and French, and 14 per cent Montagnais, English and French.[8]

Data collected by the band council showed approximately 250 persons living off welfare in Mashteuiatsh. The population working on the reserve is primarily employed in the public service sector. The band council, directly or indirectly (in the education sector, for example), is the reserve's main employer: a total of 80 jobs, with 65 in education.

Health

The nearby urban centres of Roberval and Saint-Félicien afford access to a complete network of health services. However, as emphasized in a 1982 study by the CAM, there is room for improvement:

> We are aware that consumption of public services (health and social) is a classical route to assimilation, dependence. Nevertheless, we believe it is possible to improve the current situation by asking native organizations to decide whether or not they will take charge of services offered on reserves.

Among the recommendations for better health services are implementation of collective transportation to Roberval, more frequent dental services, recruitment of native health care staff, organization of an interpreting service at the Roberval hospital, and authorization for the nurse to perform certain procedures.

CULTURAL STRUCTURE

There is a cultural division in Mashteuiatsh, caused by the overlapping of two cultures (Indian and White), similar to that experienced on other reserves in Southern Canada. However, this duality assumes a different form on each reserve. In Mashteuiatsh, it exists within families themselves, as many couples, for example, are made up of one Indian and one White. This type of couple also exists on reserves further removed from urban centres (Mingan, Natashquan or elsewhere), but in smaller numbers.

Observers often make a clear distinction in the Mashteuiatsh population between "Whites", "Métis" and "pure Indians".[9] The meaning of "Métis" here does not respect the legal definition of Indian status: the "Métis" in question are indeed "registered Indians". Even the definition of "Métis" in the usual sense (a person whose father and mother are of different racial backgrounds) must be broadened to better understand the reality of Mashteuiatsh.

The definition of the "Métis" and "pure Indian" types given by Gendron and Gourges in their study of Mashteuiatsh's leaders and dispossessed relates instead to a cultural code:

> In 1957, Philippe Garigue (in *The Social Organization of the Montagnais-Naskapi*) reported that nearly all Pointe-Bleue Indians are more or less related to Whites through marriages between Indians and French Canadians. However, some of them remained authentic Indians, if such a term may be applied. This is the group still seeking to maintain traditional Indian values, either by practicing them, or attempting to preserve them, while allowing for adaptation between these values and those of the surrounding society. Other reserve inhabitants have completely forsaken these Indian values and now live in conformity with all the standards of French Canadian society. For them, Indian values no longer have any importance.[10]

This description provides a clear definition of existing groups, but does not account for the complexity of the situation, in that these categories appear too distinct from one another.

This cultural opposition—saving traditional Indian values or forsaking them—has an economic counterpart. In fact, "living in conformity with French Canadian standards" also means adhering to values such as accumulating goods, competition, personal success, etc. Lise Tremblay shows that several large families, through the course of time, have managed to take over nearly all of the reserve lands.[11]

We therefore have two well-defined groups of "Indians" at Mashteuiatsh. The "pure Indians" attempt to preserve their traditional values, while allowing for a certain integration with the values of the majority society. As for the "Métis", they have been assimilated and have forsaken their "Indian past". But could we not consider other possible options? Moreover, these options fall into a continuum: "pure Indians" more or less radically reject the values of White society and the "Métis" continue to show a certain degree of attachment to traditions. In this respect, the paths of acculturation distinguished by Kurtness[12] allow for a better understanding of a dynamic reality. We will return to this original contribution further on, when we position the native entrepreneur in his cultural development.

For the moment, we will point out that researchers are relatively unanimous in diagnosing Mashteuiatsh as having a significant division, often expressed in the distinction between "pure Indians" and "Métis". Although we observed this split for ourselves, we also felt that another model for categorization, based on different issues, is appropriate today. This observation is hypothetical, issuing from a relatively short period of investigation and interviews with entrepreneurs, but it seems important to mention it.

In fact, in place of and in addition to a division between those abandoning traditional Indian values and those returning to their culture (Métis versus pure Indians), the opposition today appears to be moving towards a more bureaucratic dichotomy. A division is emerging through the exercise of power, in other words, those acting on behalf of, or seeking the assistance of, the band council (availability of information, financing, services, etc.) and those who feel left out. In 1968, Gendron and Gourges already noticed such a development:

> If we return to Weber, we could say that leadership in Pointe-Bleue, originally carrying with it some charisma that is now limited to its sole personification (that of the main leader) has only recently, but with increasing speed, committed itself to the process of "routinizing" itself. The future will tell us the end result of this process. In the meantime, it appears that we can predict an end result of bureaucratic structure.[13]

The process of "routinization" refers to the transformation of a charismatic mission (certain religious, dynastic or traditional values) into an official position. The authors explain that the concept of "routinization of charisma", developed by Weber, means that existing forms of authority can no longer be limited solely to the spirit of charisma, due to the complexity of structures, and charismatic standards are abandoned in favour of an appropriation of individual positions and their corresponding advantages.

Mashteuiatsh thus appears to be a community in which social relations—including the development of entrepreneurship—take the form of both a cultural and economic affiliation (broader definition of "pure Indians" and "Métis") and at the same time, the hierarchy is state-controlled or bureaucratic. This form of relation appears to be developing further. Finally, in Mashteuiatsh, as on other reserves, there are various forms of social relations and divisions:

> Finally, add the gap between generations caused by the 1960's which, in a native environment, greatly exceeds adolescent pangs in the face of adulthood, to broadening the divisions between the educated, bilingual and unilingual, salaried workers and craftsmen, bureaucrats and public service "beneficiaries", "accultured" and "traditional", uncomfortable servants of Colonial power and equally uncomfortable recipients.[14]

Enterprises in Mashteuiatsh must start up and develop in this context, more difficult and more problematic than Wendake. The future entrepreneur must face a flood of cultural and institutional influences. The incessant divisions in a small community give rise to displays of marginality which are sometimes aggressive, as shown by the high rate of suicide. However, some individuals, including entrepreneurs, show surprising abilities to produce and excel.

ENTERPRISES IN MASHTEUIATSH

At the time of our study, Mashteuiatsh had 23 enterprises, of which 3 were in the primary sector,[15] 6 in the secondary sector and 14 in the tertiary sector. Here again, the figures do not include craftsmen who work alone and sell to businesses or individuals, nor trappers.

Aside from trappers, in the primary sector there are two breeders (cattle and sheep) and one enterprise involved in forestry: the forestry cooperative. In the transformation field, there is a sawmill (Piekouagami Industries), the construction sector and four enterprises manufacturing handicraft products. Eight small enterprises are geared towards handicrafts, three of which are more concerned with sales than production. These are included in the tertiary sector—the most developed—which includes grocery stores, electricians, plumbers, garages, camping, restaurants, finance and transportation. Aside from the handicrafts cooperative next to the museum, businesses are located on the outskirts of the village, near the main road. The location of the cooperative created tension in the village, between supporters of entrepreneurial development and supporters of community development.

The number of enterprises stayed nearly the same during our study's observation period: when certain enterprises fold, others start up almost immediately, but not necessarily in the same sector. We were able to study 18 enterprises, distributed as follows: seven in the handicrafts sector, of which five are involved in manufacturing and sales, two in sales only; two retailers, one manufacturing enterprise and five service enterprises.

We should note the importance of the tertiary sector and the fact that few enterprises are devoted to transforming raw materials; this characteristic holds true not only for Mashteuiatsh but for the entire region of Saguenay-Lac-Saint-Jean. As we have already mentioned, the band council is the main employer on the reserve; however, contrary to Mingan, where the council is itself the owner of enterprises, jobs created by the Mashteuiatsh council are in public and parapublic services. Tables 5, 6 and 7 show the structure of employment at the beginning of our study.

There are two types of enterprises on the reserve: sole proprietorships and cooperatives. Although their common goal is economic development of the reserve, their objectives differ; in general, the cooperatives are more geared towards community-oriented development, aside from the legitimate concern of profitability. Most cooperatives receive assistance from the government or the band council.

Table 5
Employment on the Reserve: Primary Sector

Activities and employers	Person-months	Approximate $ (year)
Agriculture restaurant Philippe	36	45,000
Forestry		
Trapping	150	90,000
Fishing	30	18,000
Mining		
Other		
Total	216	153,000

Source: *Cahier de développement économique [Report on Economic Development]*, internal document, Pointe-Bleue band council.

Table 6
Employment on the Reserve: Secondary Sector

Activities and employers	Person-months	Approximate $ (year)
Manufacturing*	72	48,000
Construction	30	40,000
Handicrafts	100	60,000
Other		
Total	202	148,000

* Snowshoe industry that does not exist today

Source: *Cahier de développement économique [Report on Economic Development]*, internal document, Pointe-Bleue band council.

Table 7
Employment on the Reserve: Tertiary Sector

Activities and employers	Person-months	Approximate $ (year)
Transportation	204	193,200
Trade	308	154,000
Finance	54	54,000
Public Services (police, firemen, school, etc.)	1,716	2,230,000
Local administration		
Other		
Total	2,282	2,631,200

Source: *Cahier de développement économique [Report on Economic Development]*, internal document, Pointe-Bleue band council.

MASHTEUIATSH: SUMMARY

Lack of consensus seems characteristic in Mashteuiatsh, where we find a model of mixed development, in which the state-controlled route (council) fights over cooperative development, on the one hand, and individual enterprise on the other. As we will see in the following chapter, Mingan's situation is clearly different; Mashteuiatsh appears to be a community at a crossroads between the entrepreneurial model of Wendake and the community model more characteristic of remote reserves.

NOTES

1 Conseil Attikamek-Montagnais (CAM), *Étude sur les services de santé des réserves indiennes attikameks et montagnaises [Study of Health Services on Attikamek and Montagnais Indian Reserves]*, Wendake, Québec, 1982.

2 *Ibid.*

[3] On this matter, see chapter 2, "Les Amérindiens du Saguenay avant la colonisation blanche [The Amerindians of Saguenay before White Colonization]," by Jean-Paul Simard, *Les Saguenayens, Introduction à l'histoire des populations du Saguenay du XVI^e au XX^e siecle [The Saguenayens, Introduction to the History of the Populations of Saguenay from the XVIth to the XXth Century]*, Sillery, P.U.Q., 1983.

[4] *Ibid.*, p. 77.

[5] J.L. Gendron and J.H. Gourges, *Pointe-Bleue: une étude d'une population indienne, de ses leaders et de ses marginaux [Pointe-Bleue: Study of an Indian Population, its Leaders and its Dispossessed]*, Master's thesis in social work, Quebec City, Laval University, 1968, p. 42.

[6] The first expression comes from the Commission d'étude sur l'intégrité du territoire du Québec [Commission for Studying the Integrity of the Quebec Territory] and the other is used by Professor Jean-Jacques Simard; *Le domaine indien [The Indian Domain]*, report of the Commission d'étude sur l'intégrité du territoire du Québec, Québec, Gouvernement du Québec, 1971. Jean-Jacques Simard, "Préface", Dominique and Deschênes, *op. cit.*, p. 7.

[7] Gendron and Gourges, *op. cit.*, p. 34.

[8] Ménard, *op. cit.*, p. 19.

[9] CAM, 1982, *op. cit.*, p. 204 and pp. 190-207.

[10] Gendron and Gourges, *op. cit.*; Ph. Garigue, "The Social Organization of the Montagnais-Naskapi," Anthropologica, nº 4, 1957, pp. 107-135; Lise Tremblay, *Étude des localisations spatiales pour Pointe-Bleue [Study of spatial localizations in Pointe-Bleue]*, geography thesis, Quebec City, Laval University, 1975.

[11] Ownership of land on the reserve was reported as follows by Lise Tremblay, *op. cit.*, p. 9: "Looking at the allocation of each section to its owner, we discover that a group of four families holds the power to exchange the Crown lands, equivalent to 72.6% of the reserve lands, distributed as follows:

The Phillippes	(3.5% of the population)	13.9% of land
The Robertsons	(9.4% of the population)	22.3% of land
The Launières	(10.3% of the population)	18.8% of land
The Pauls	(13% of the population)	17.6% of land
Others		18.0% of land
Band		9.9% of land".

These figures illustrate that the division between "pure Indians" and "Metis" also manifests itself spatially. The families with the majority of land are assimilated in the "Metis" group, having abandoned their traditional Indian values, such as self-esteem based on sharing, and not based on material accumulation. Tremblay (*op. cit.*, p. 51) adds that in these circumstances "the only new residential location possible for families with no income is that of the Cemetery road, on land that the band had to buy back."

[12] J. Kurtness, *Les facteurs psychologiques des parcours de l'acculturation chez les Montagnais du Québec [Psychological Factors of the Paths of Acculturation Among the Montagnais of Quebec]*, doctoral thesis, Quebec City, Laval University, Psychology Department, 1983.

[13] Gendron and Gourges, *op. cit.*, p. 245.

[14] J.J. Simard, in: Dominique et Deschênes, *op. cit.*, p. 14.

[15] In this case, the primary sector includes agricultural activities.

CHAPTER V

MINGAN

GEOGRAPHICAL SITUATION

The village of Mingan is located on the northern shore of the St. Lawrence or, more specifically, where the Manitou and Mingan rivers meet. East of Sept-Iles (160 km), Mingan is part of the Central North Shore, one of the three sub-regions dividing the coast from Blanc-Sablon to Tadoussac.

Mingan, bordered to the north by the Mingan River and to the south by the St. Lawrence estuary, is crossed by Highway 138. Most of the residences, consisting of about 60 homes, are located on one side of the highway and on the other side we find the church, community clinic, fish plant and some other homes. The nearest village, Longue-Pointe de Mingan, is located nine kilometres to the west. In addition to facilitating communications, the recent extension of Highway 138 to Havre-Saint-Pierre has increased the number of visitors and promoted economic development in several respects: sales, supplies, and choice of commercial, social and other services. "From 1980 to 1983, the number of tourist visitors rose from 3,500 to 8,500 and of these visitors, 50 per cent come from Quebec City or Montreal."[1] The hunting and fishing grounds extend from the reserve borders, covering a total area of 4,340 acres.[2] Most of the homes are spread out over four parallel streets. Although forest surrounds the reserve, there are no trees on the land where the population lives.

This region is dominated by a taiga landscape. According to geographical studics of the area, the severity of the climate in this part of the North Shore is not due so much to cold temperatures as to the length of the cold season, which lasts about six months.

NATURAL RESOURCES

Mingan has abundant hydrographic resources. Located next to the St. Lawrence, the reserve can also access a network of lakes and rivers rich in another resource, fish. The river provides, among other things, shrimp, crab and various basic fish such as plaice, cod and halibut; salmon and speckled trout are found in the neighbouring rivers and lakes. Some of these resources are entrenched in aboriginal values and way of life and are the root of problems concerning resource development. The area's "hinterland" (to paraphrase Ginette Noël-Bouchard in her geographical study of Mingan) is rich in fur-bearing animals: caribou, fox, lynx, beaver, rabbit, etc. In addition to game, the forest also provides for gathering wild fruit.

In short, the Central North Shore, where Mingan is located, is an area rich in natural resources such as water, forest, game, soil and even sub-soil.

HISTORY

Of the two main Indian cultures of Quebec, Iroquois and Algonquin, the Montagnais belong to the linguistic family of the Algonquins; more particularly, the Subarctic Algonquins, who distinguish themselves from the Maritime Algonquins, whose traditional territory runs from North Carolina to the Maritime provinces.

> The Montagnais, whose vast hunting grounds extended from the St. Maurice River almost to the Atlantic and the St. Lawrence, at the dividing line of Hudson's Bay, were named by the first explorers for the mountainous formations of the territory.[3]

Long before the establishment of seigneuries (17th century), Mingan seems to have been a summer gathering site for the

Montagnais. Family meetings, trade, hunting for aquatic birds, and later seals, all attracted the aboriginal people to the coast during the summer.

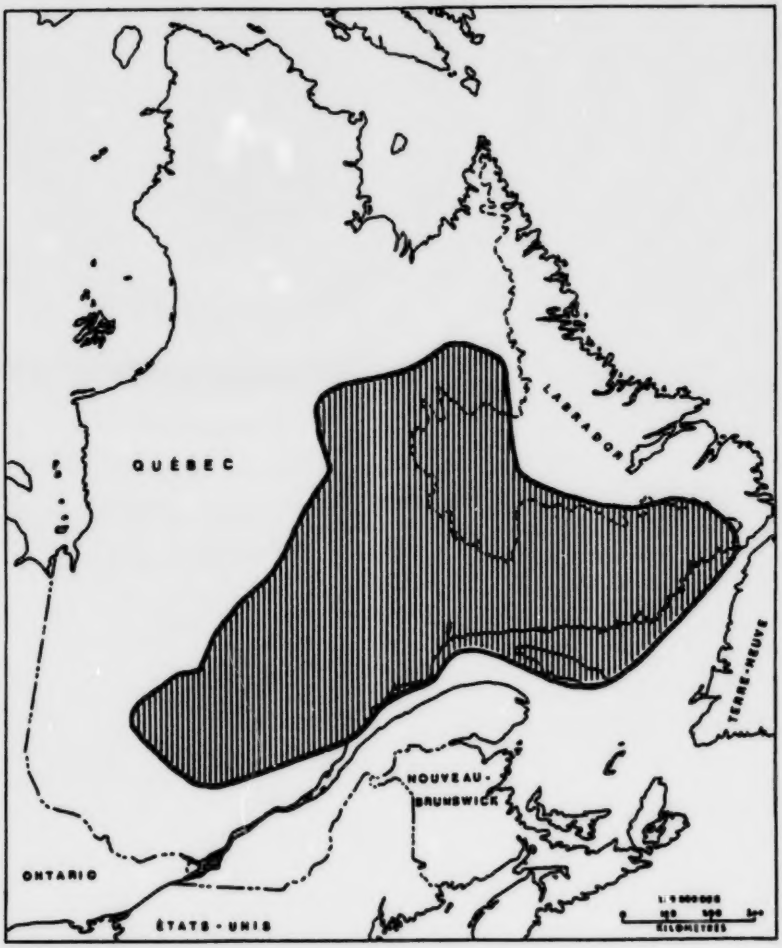
Europeans then began to inhabit Mingan and it became a centre of fur trading, commerce and evangelism. The Hudson's Bay Company set up a trading post there (1807-1873) and reserved the rights to develop the Mingan river. Later, a White family originating from Gaspé (Maloney) began trading with the Indians again. The Indians then continued to come to Mingan every summer to trade their furs for the provisions they needed for their subsistence. This era marks the introduction of tea and flour into the diet of Mingan's Montagnais.

With the end of the Second World War came the development of mining and forestry companies on the North Shore; the Indians became further and further distanced from their hunting grounds and their way of life was upset. In the post-war era, the establishment of reserves, mandatory education, fluctuations in fur prices and government programs for home construction all constituted factors leading to the sedentarization of this nomadic people.

The territory of Mingan was established as a reserve in April 1963. This decree, however, which defined the territory allocated to the Indians of Mingan, did not leave them the river which they relied upon for their subsistence. The river, which became private property, was not returned to the Montagnais until 1983, after many years of claims.

The aboriginals of Mingan therefore belong to the same broad ethnic group as that of Mashteuiatsh. Before the white man came, they had at their disposal an immense territory for hunting and gathering. With the relatively recent arrival of the white man, however, the history of these two peoples diverges considerably, the Mingan Montagnais being better protected due to their remoteness and the impossibility of agricultural colonization in their part of the country. Only the vast forestry and hydraulic developments would disturb them. Consequently, Mingan still has a relatively homogeneous population compared to that of Mashteuiatsh.

Figure 6
Historical Territory of the Attikamek-Montagnais



Source: Jacques Kurtness, *Les facteurs psychologiques des parcours de l'acculturation chez les Montagnais du Québec* [Psychological Factors of the Paths of Acculturation Among the Montagnais of Quebec], p. 69.

POPULATION

Demography

The total population of the village of Mingan was 335 on December 31, 1984. In his study for Parks Canada, Bernier established the proportions as being 47 per cent men and 53 per cent women.[4] The age structure for Mingan, reproduced from the same data, shows a narrow base and a decreased percentage among 35-44 year olds. In fact, there are more children between the ages of 0 and 14 (and especially girls) than for the entire region. In 1984, women outnumbered men: 177 women for 158 men, especially between the ages of 5 and 24.

Studies on the Mingan region interpret the decreased numbers of 35-44 year olds as being due to migrations; similarly, the narrow base of the structure could be explained through either an emigration of people of procreative age, or through a lower birth rate. Already in 1972, Ginette Noël-Bouchard had stressed that:

> In the present case, the structures by age, sex and marital status reveal a population which has large numbers of single young people of working age. A mass exodus of this potential would seriously threaten the existence of these two communities.[5]

Similarly, a study by the Attikamek-Montagnais Council based on 1979 statistics shows that 58 per cent of the population of the village of Mingan was less than 18 years old. In the 1981 census, there is still a strong contingent under 20 years old, which was 135 persons, or about 50 per cent of the total population.[6]

Figure 7 and Table 8 show the demographic structure of Mingan. We are left with the image of a population still very capable of renewing itself (birth rate, number of young people), but threatened by migratory phenomena (narrow base of the age structure and deficit of 35-44 year olds).

On the linguistic front, Montagnais remains the mother tongue and language spoken by more than 75 per cent of the population of Mingan. French, largely dominant as the second language, is spoken by 60 per cent of the population. A small minority of individuals can speak English, especially those who work as hunting and fishing guides.

Figure 7
Mingan
Age Structure

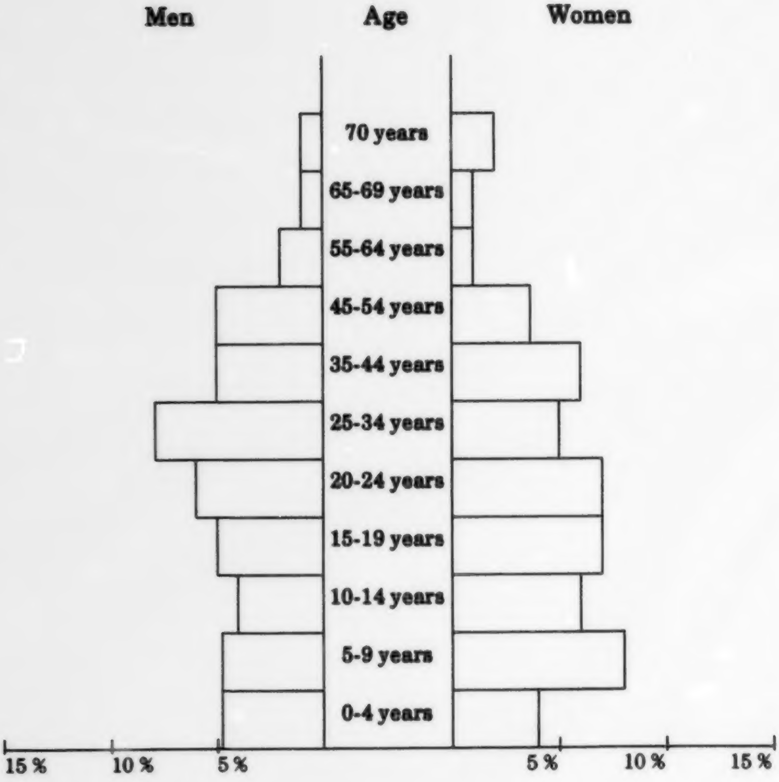


Table 8
Mingan
Population Living On and Off Reserve
by Age and Sex

Age	Total	Men	Women
0-4 years	33	18	15
5-9 years	42	17	25
10-14 years	36	15	21
15-19 years	42	17	25
20-24 years	44	20	24
25-29 years	23	14	9
30-34 years	20	12	8
35-39 years	22	9	13
40-44 years	16	8	8
45-49 years	17	8	9
50-54 years	11	6	5
55-59 years	7	5	2
60-64 years	3	1	2
65-69 years	7	4	3
70-74 years	6	2	4
75-79 years	3	-	3
80 years and older	3	2	1
Total	335	158	177

Employment Structure

In Minganie, which includes the communities of Havre-Saint-Pierre, Mingan, Longue-Pointe, and Rivière-Saint-Jean, jobs are available in the mining sector, the transformation of seafood products and the development of public, parapublic and commercial services.

In Mingan itself, the majority of household incomes come from the secondary sector (fish plant) and the tertiary sector, in other words, public and parapublic services. However, hunting and trapping constitute an important economic activity in the primary sector. Trapping alone is the main source of income for 17 persons who hunt mostly beaver, muskrat and marten. The entire population engages in hunting and fishing activities. The fish plant "Les crustacés de Mingan" operates on a seasonal basis and employs on average 55 persons, depending on the fish supply. We will return to each of these activities.

The active population of Mingan was 119 (73 men, 46 women) in 1983, and 181 in 1985, according to an INAC document concerning "Les crustacés de Mingan".[7] There are few jobs outside Mingan, except for gamekeepers and two teachers at Longue-Pointe de Mingan. According to CAM's study on the socio-economic conditions of the Attikamek-Montagnais, there is employment at Mingan for 3.5 persons, while La Romaine has employment for 90 persons, a clearly favourable difference explained by the shellfish processing plant at Mingan.

This favourable job situation still appears to result in an income level lower than the national average for native people. The Nielsen report emphasizes that the average income of natives corresponds to about two thirds of the national average.[8] In this regard, average total income in 1980 for the Minganie region showed a greater discrepancy than for the national average between annual income of native people and the income of the rest of the population, as shown in table 9.

Table 9 emphasizes the discrepancies, first with respect to regional locations and then compared with the entire population of Quebec. Here the average income of native people corresponds to about *one quarter (compared to two thirds nationally) of the average for Quebec.* Conversely, the income received from transfer payments are low in Mingan:

> From a socio-economic perspective, Mingan is an exception among Montagnais and Attikamek reserves: 30 per cent of its residents receive federal social assistance. This is the lowest rate of all the Montagnais and Attikamek reserves.[9]

Table 9
Average Total Income (1980)

	Men	Women	Both sexes
Havre Saint-Pierre	$16,510	$10,198	$13,985
Mingan	4,700	4,305	4,533
Longue-Pointe	11,939	6,183	9,265
Rivière Saint-Jean	9,834	6,147	8,326
Sept-Iles	19,492	9,127	15,236
Quebec City	14,433	8,626	11,511
Province of Quebec	15,838	8,394	12,457

Source: Statistics Canada, 1981 census, in: Bernier, *op. cit.*, table 12, p. 84.

In the same vein, a social worker from the area pointed out in an interview that many people who receive social assistance do so for housing children, or as a supplement to unemployment insurance benefits.[10] At INAC in Sept-Iles, we were told that 163 persons on the reserve receive federal social assistance, which is 48 per cent lower than on other reserves.

The contribution of the fish plant "Les crustacés de Mingan" explains this favourable situation. Even by employing workers for a seasonal period, the plant contributes work to a significant portion of the labour force, such that nearly 80 per cent of workers may draw unemployment insurance benefits in the off season. If we exclude people employed on specific projects, the majority of jobs held by residents are in the following professional categories:[11]

Related to the band council:

- Bank manager
- Accountant-clerk
- Economic development officer
- Liaison officer in education

- Community health representative
- Local negotiating officer
- Secretaries
- Receptionist
- Recreation leader
- Project leaders
- Maintenance clerk

Other:

- Manpower officer
- Social worker
- Radio host
- Plant foreman
- Plant labourers
- Teachers
- Interpreter at the community clinic
- Tanners
- Policemen
- Hunters-trappers
- Craftsmen (approximately 25)

Health and Social Services

Epidemiological studies available for the Mingan reserve[12] indicate health problems similar to those generally found on Indian reserves and in remote areas. Health services are provided by Health and Welfare Canada. A nurse works at the local clinic and hospital resources are easily accessible at Havre-Saint-Pierre and Sept-Iles, even in winter.

In terms of health care, we may conclude that the community of Mingan is well provided for. As for prevention, on the other hand, the picture is not as positive. We must first note a problem that has existed for years in the supply of drinking water, which periodically gives rise to epidemics. As in other remote areas, alcoholism and drug addiction are rampant at all age levels, and especially among young people. The attendance rate at the plant suffers from it, as well as other development initiatives; for example, starting up enterprises. Moreover, it seems that, through a vicious circle, the monotony of work at the plant and the pace of life it imposes with respect to traditional culture, which is still very much alive, contribute to the incidence and seriousness of the problem. The economic and social consequences of alcoholism are therefore significant for this community, in terms of waste of scarce human resources, sick leave, loss of income, absenteeism, family problems, etc.

Traditional Montagnais medicine seems to be losing ground and knowledge of it is held primarily by women over 60. For example, although there were previously midwives, and although this profession is still practiced, deliveries are now most often made at the Havre-Saint-Pierre hospital.

Education

Until the beginning of the 1950s, parents educated their children themselves, especially by passing on their traditional knowledge. The education of young aboriginals is now mandatory, as is the acquisition of modern knowledge. Before long, young people were forced to leave their families for their secondary education. They spent long months away from home in "boarding schools". These separations affected family life, and raised considerable problems of integration in a world so vastly different. Accession to school is much simpler today, although the issue of integration in the educational environment remains.

> We firmly believe that for most Indians who drop out of school, racism, prejudice and verbal violence simply culminate an already justified response.
>
> The only means we see of remedying this situation would be for the young Montagnais to accept their race and demonstrate it by leaving aside their feelings of inferiority, embarrassment and the fear of being laughed at. They should be proud of being Indian and different.[13]

This assessment on behalf of Montagnais from the Mingan reserve clearly illustrates the conditions of uprooting, dissonance and cultural discontinuity affecting aboriginal people in Canadian school systems.

Today, Mingan has a nursery school. Elementary students are integrated with the Longue-Pointe de Mingan school board, which they travel to every day. According to a study on the educational expectations of the Mingan population,[14] parents believe that training in another language penalizes the child and gives him a feeling of inferiority; they would like the elementary course to be given in Montagnais with a progressive integration of French. Students at the secondary level go to Havre-Saint-Pierre; they have one course in Montagnais per week, to keep them in contact with their language, compared to one course daily at the primary level. Finally, CEGEP students travel to Sept-Iles, or to other urban centres, as do those wishing to attend university.

Average education for Mingan residents is grade nine among 20-33 year olds, and grade four among 33-50 year olds. Young people are encouraged to pursue their education to help work towards the economic, social and cultural development of their community.

Since September 1983, the CEGEP at Sept-Iles has offered a native studies program for Montagnais students who want general training that will lead them to university or to working for their community. Thirty students were enrolled in this program in 1983-1984.[15] Table 10 shows the current number of students who attend educational institutions for the communities of Mashteuiatsh and Mingan.

Table 10
Montagnais School Population in 1983-1984
(in Number and Per Cent of the Total Population of Each Community)

Level	Pointe-Bleue		Mingan	
Elementary	296	(15%)	61	(19%)
Secondary	140	(7%)	24	(7%)
Collegiate	35	(1.7%)	–	(0%)
University	25	(1.2%)	1	(0.3%)
Total	496	(25%)	86	(26%)

Source: Casavant, *op. cit.*, p. 11

ECONOMIC STRUCTURE

Band Council

The band council represents the political structure of the village, but it may also be considered as the principle economic development agent. Its financing is ensured by the Department of Indian and Northern Affairs. Mingan is also part of the Attikamek-Montagnais Council (whose head office is located at Wendake) and, because of this, it benefits from a range of services offered by the CAM.

The Mingan band council is very committed to the economic life of the community, with the many jobs it creates through its "governmental" functions and by actively participating in the realization of economic projects. Economic development appears to be a priority for the council:

> The reserve's current economic situation is deficient. It is pointless to blame the Department, or the Indians themselves. Instead, there must be an understanding of the mechanisms and ground rules imposed on Indians for many years which now inhibit the community's economic development.[16]

Importance of the Land

The community of Mingan, like other Montagnais communities, considers land claims to be a priority. These claims appear to be related here to a profound political, social and cultural awareness, already supported by an increasing determination to take charge.

> We have always learned to grant priority to the direct development of natural resources, to look after our own subsistence, while preserving our privileges to capture fur-bearing animals in the interest of acquiring transformed goods and providing for other needs. We want our development to take place in accordance with our ancient values and traditions, in accordance with our own aspirations and our own needs.[17]

This resolute attachment to the land is manifested in Mingan through priority granted to integration of human resource (and financial resources as far as independence is possible) in projects related to the sectors of hunting, fishing and trapping, preferably to development of the fish plant. This orientation has a profound influence on the economic growth of the community.

Enterprises

At Mingan, the Napess tannery is now the only sole proprietorship, since a canteen project was abandoned. The tannery is an enterprise that employs all the members of a single family, the parents as owner-managers and the children as employees. Their role in the enterprise is individual or personalized, as opposed to managerial or functional, so that everyone makes a personal (or family) commitment; thus, enterprise and entrepreneurs make up a single reality.

As for the other enterprises on the reserve, the entire community is the owner, except for the handicrafts kiosk, set up during the summer season, which belongs to the Mingan handicrafts committee, made up of 20 craftsmen from Mingan. All other business projects are under the band council's responsibility.

The main enterprise of the reserve, in number of jobs, "Les crustacés de Mingan," is owned by the band council, as are the fishing boats which regularly supply it. The council oversees various projects, such as the furnishing of the Manitou-Mingan complex which started up several years ago. It also organizes the pow-wow, a significant economic and cultural contribution. The council manages various other projects: construction of a grocery store, issuing taxi licenses, hunting and trapping committee, community radio, etc. The radio, a community-oriented enterprise, is in part financed by the bingo and maintains social and cultural objectives.

At Mingan, the band council therefore represents the main economic development force on the reserve. With responsibility for the shellfish plant, the council participates in the enterprise's decision-making process, though some decisions are beyond its control: in fact, a management contract links "Les crustacés de Mingan" to another enterprise in the same sector.

For various reasons, the Montagnais of Mingan hesitate to become completely involved in this plant, where the highest managerial position held by a native person is forewoman. The plant and the two fishing boats are managed and directed by Whites, whereas the Montagnais hold labour jobs and sit on the board of directors. During our study, native members of the board of directors still hesitated to assume full management of the plant, although a clear movement had begun in this direction, at least orally.

This situation seems strange, given the importance of the plant for the reserve's standard of living. If the plant were to close, Mingan would inevitably fall quite quickly to the employment level and income structure of other native communities on the Lower North Shore (welfare benefits and other transfer payments). Why, then, does the band council put so much emphasis on certain projects, whose realization is hypothetical, instead of investing in the development and consolidation of a major asset in the form of the plant?

Historically, many factors have explained this situation. The plant started up as an imposition disguised as philanthropy. It never represented a "demand" or a "victory" for the community of Mingan. Moreover, the type of jobs offered at the plant and its orientation towards the sea do not coincide with the way of life of Mingan's Montagnais, a hunting-gathering people more geared towards the earth, fresh water and a different pace. Finally, the plant operates in a very competitive sector, which has experienced great upheavals in Quebec in recent years, particularly on the North Shore. Nor is the problem specific to native people: industrial fishing is not familiar to North Shore inhabitants, and many ships still recruit their personnel from the South Shore, their true home port.

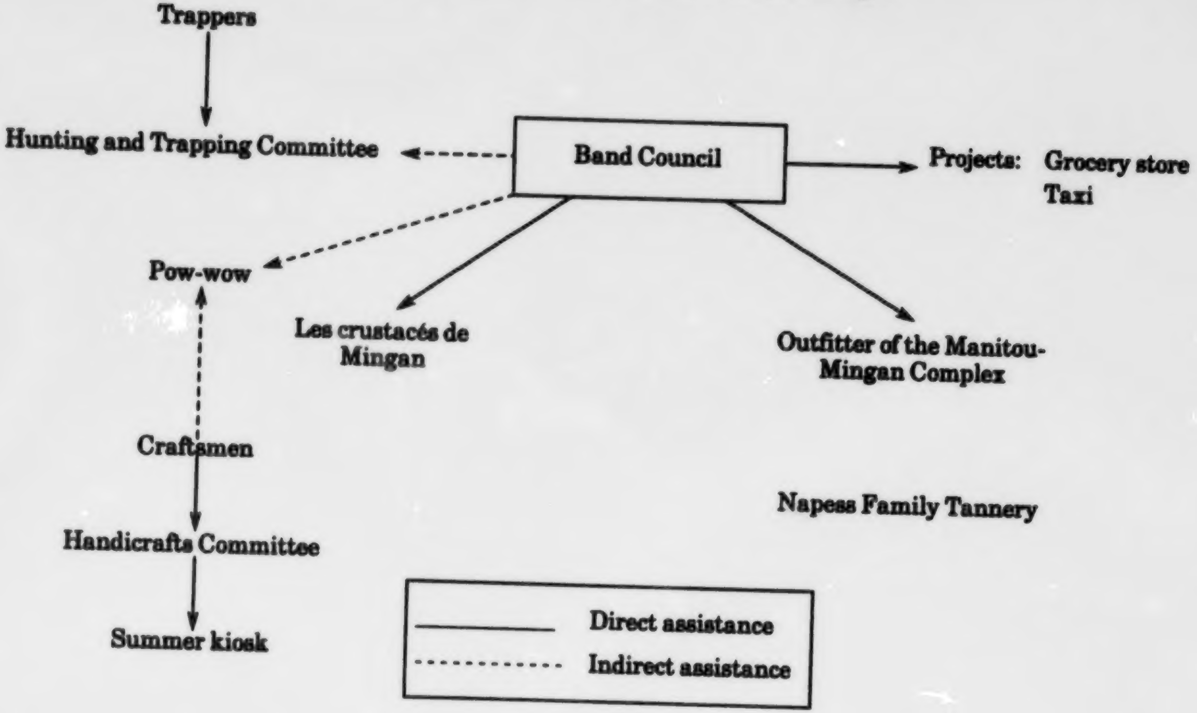
We can better understand the band council's reticence to exercise overly direct management in a sector so unfamiliar to Mingan's natives. The plant appears to be for Mingan what Hydro-Québec is for many Quebeckers: a godsend for developing projects which are more on their scale. Or, as Porter puts it in his diagnosis of Canada's economic history: "Industrialization has been in, but not of [Mingan]."[18]

Trapping seems to reinforce this interpretation: this activity appears particularly well organized in Mingan and the trappers are organized in an active hunting and trapping committee. Similarly, the craftsmen are organized in the Association of Montagnais Craftsmen. Before construction of the highway that goes all the way to Havre-Saint-Pierre, the population of Mingan was dependent for services (groceries, general store, mail, etc.) on a single White family living in Mingan. The situation is different now and the selection is greater: shopping for clothes in Sept-Iles, groceries in Havre-Saint-Pierre, etc. The band council even plans on opening a grocery store on the reserve.

MINGAN: SUMMARY

Mingan thus appears to be a community very attached to the land and to traditional activities. Moreover, the band council is primarily responsible for the process of economic development and entrepreneurship. Figure 8 gives an overview of economic activities and their relations to the band council.

Figure 8
Enterprises and the Band Council in Mingan



NOTES

[1] P. Bernier, *La Minganie : portrait historique et social [Minganie: Historical and Social Portrait]*, report presented to Parks Canada, Quebec City, 1984, p. 33.

[2] Mingan band council, *Document interne sur le développement économique [Internal Paper on Economic Development]*, 1983, p. 15.

[3] R. Mestokocho, M. Napess and P. Napess, *Étude sur les besoins et attentes de la communauté de Mingan en matière d'éducation [Study of educational needs and expectations in the community of Mingan]*, Mingan, 1984, p. 4.

[4] P. Bernier, *op. cit.* Also see: INAC, *Registered Indian Population by age, sex and residence for bands*, Ottawa, 1986.

[5] G. Noël-Bouchard, *Village de Longue-Pointe et la communauté indienne de Mingan: étude de géographie de la population [Village of Longue-Pointe and the Indian Community of Mingan: Study of Population Geography]*, geography thesis, Quebec City, Laval University, 1972, p. 59.

[6] This characteristic of a "young population" repeated itself on the national scale, as emphasized in the Nielsen report: "Fifty-two percent of natives are under 20 years old, compared to 32 per cent for other Canadians; only 3.5 per cent of natives are 65 or over, compared to 10 per cent for the rest of the population." A Study Team Report to the Task Force on Program Review (Nielsen report, *op. cit.*, p. 13).

[7] Mingan Band Council, *op. cit.*

[8] Nielsen report, *op. cit.*, p. 14. These proportions vary greatly, however, from one province to another.

[9] H. Caron, *Les Montagnais de Mingan et la division du travail [The Montagnais Women of Mingan and the Division of Labour]*, Master's thesis (Anthropology), Quebec City, Laval University, 1982, p. 68.

[10] Interview at Mingan, November 15, 1985.

[11] Interviews at Mingan, November 1985; Caron, *op. cit.*, p. 68.

[12] Studies of the Conseil régional de la santé et des services sociaux de la Côte-Nord [Council on North Shore health and social services] and study by the Mingan band council.

[13] Mestokocho *et. al.*, *op. cit.*, pp. 91-92.

[14] *Loc. cit.*

[15] A. Casavant, "L'éducation en milieu montagnais" [Education in the Montagnais Environment], *Rencontre*, vol. 5, no 4, June 1984, p. 11.

[16] Mingan band council, *op. cit.*, p. 12.

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17 Attikamek-Montagnais Council, "Nishastanan Nitasinan" [We love our land, we'll stand by it], report presented to Parks Canada, Mingan, 1984, p. 9 and 21, published in *Recherches amérindiennes au Québec*, vol. 9, no 3, 1979, pp. 171-182.

18 J. Porter, "Canadian Character in the Twentieth Century", *Annals*, March 1967, pp. 48-56.

SITES OF RESEARCH AND ENTERPRISE

To end this second part, it is appropriate to briefly review the profiles of each of the three sites studied and emphasize the perspective each one brought to our research. With this in mind, we will review the number of enterprises and their respective sectors, the social configuration of each of the sites and the economic development models that emerged.

Tables 11 and 12 show the number of enterprises and organizations studied for each community and each general economic sector. The number of enterprises is an estimate, to take into account, above all, the situation of Wendake, for which we found figures varying from one study to another: density and economic fabric give rise to a higher rate of creation and folding of enterprises than elsewhere, and also to enterprises of less interest to our study (insurance, finance, etc.). We may observe, on the other hand, the symmetry between the number of enterprises visited and studied for each site, an accurate indicator of the cooperation received from native entrepreneurs. "Organizations" may represent a band council or an economic institution. These organizations were therefore studied for their direct effect on other enterprises on the reserve.

Table 11
Number of Enterprises and Organizations for Each Site

	Enterprises			
	Probable Number	Visited	Studied	Organizations*
Wendake	50	27	27	3
Mashteuiatsh	18	18	18	3
Mingan	7	7	7	3
Total	75	52	52	9

* Visited and studied, because of their relations to economic development (for example, the band council).

Total number of organizations analyzed: 61

As for sectoral distribution, table 12 shows a unique division, which assimilates into the secondary sector some of Mingan's enterprises that could be included in the primary sector, for example, the fishing boats "Eole" and "Honguedeau" which supply the plant "Les crustacés de Mingan". Because of their relation to the plant, we considered them as being in the secondary sector, as they were purchased to better supply the plant. However, due to repeated failures to interest natives in operating these boats, and since their bookkeeping is independent of the plant, we considered them independent enterprises. Moreover, since there was only one other primary sector enterprise in Mashteuiatsh, we did not feel it was appropriate to assign it a specific category.

Table 12 shows the surprising diversity of native enterprises. The handicrafts sector obviously represents a high proportion, but it in no way eclipses the other sectors, neither as a whole, with 17 of 52 enterprises, nor for any particular site. Retail enterprises decrease more because of remoteness than the size of communities, as do manufacturing industries in the strict sense of the term (in other words, excluding those assimilated from Mingan and Mashteuiatsh). An interesting observation about the services sector is that it remains constant for communities very different in size and remoteness.

Table 12
Number of Enterprises Studied by Economic Sector

Economic sector	Wendake	Mashteuiatsh	Mingan
Handicraft enterprises			
manufacturing and sales	5	6	1
trade*	3**	2	0
Commercial enterprises			
retailers	6	3	0
Manufacturing enterprises	9	1	3
Services	4	5	3
Total	27	18***	7

* Handicraft enterprises engaged in exclusively commercial activities.

** One of which ceased operations in 1983.

*** At Mashteuiatsh, we also studied one primary sector industry, which accounts for the total of 18.

These data, however, only give a partial view of the real configuration of native entrepreneurship. We were able to observe that it follows quite different paths in each community.

Wendake is characterized by a number of small private enterprises; elsewhere, we would call them "sole proprietorships", but this expression does not do justice to the strong family-oriented character found in many of them. In general, management appears to be sound, although it does not always conform to the modern methods of Quebec's small and medium-sized businesses: for example, we still see a large number of enterprises that are neither incorporated nor registered, in addition to unconventional accounting techniques.

Compared to the two other communities, the band council's involvement in the economy appears moderate. Naturally, we observed a stronger desire to intervene in orienting development, increasing available space, managing land use and consolidating certain sectors. But the economic culture of Wendake remains centred around a specific entrepreneurial model, which has the manager's family playing a significant role. In addition, we observed the very distinct progress of certain enterprises towards a more modern, more standard management model.

Wendake seems to have greatly benefited from its character as a "free zone" on the outskirts of metropolitan Quebec City and, in all areas, its enterprises are more successful than those of any neighbouring area. However, this community owes its development and high standard of living with respect to other reserves to the vitality of its members.

The profile of Mashteuiatsh is clearly more complex. This community seems to vacillate between two models of economic development, one based on family and individual entrepreneurship and the other based on collective, governmental or cooperative interventions. This new split (compared to the traditional gap between "pure Indians" and "Metis") and the resulting debate is manifested in the geography of the reserve itself, with both types of enterprises tending to situate themselves along a particular axis.

Mashteuiatsh also has a well-established entrepreneurial tradition, but a new type of more collective entrepreneurship seems to be emerging. It is worth noting that most new development projects or enterprises result from efforts of the band council or groups organized as cooperatives. Yet there is more to this than a simple question of available resources or the allocation of means: it is the dominant trend in the current ideological debate within the community. It is an interesting model, faced with the challenge of finding a *modus vivendi* between two types of development: how is it possible to profit from the new dynamism of community entrepreneurship without hostility and without destroying the traditional family enterprise?

Mingan is also experiencing this problem and a special type of relationship exists between the single family enterprise and economic leaders of the band council. Nevertheless, at the time of our study, a *modus vivendi* seemed to have been negotiated.

Mingan is characterized more by a very collectivist development model, a sort of planned mini-economy, in which initiatives and resources come most often from the band council's new guard. The reserve is also typical due to a large enterprise, the fish plant, which in some respects was imposed on the community.

At Mingan, greater efforts are put into development projects related to traditional native activities: outfitters, hunting, fishing, trapping, handicrafts. Nevertheless, the plant is significant and brings a standard of living and income to the reserve which would otherwise be inaccessible. As long as human resources increase, natives will increasingly take over management of the plant; until then, enough responsibility must be assumed to ensure that the plant remains competitive, while moving closer to the interests of the population.

Mingan and Wendake are therefore two extremes of an entrepreneurial development axis: community and collectivist in the first case, individual and family in the second. Mashteuiatsh occupies a middle ground, representing both models quite well.

Each community faces challenges specific to its own situation, challenges which are important for the development of enterprises. At Wendake, the challenge is to consolidate the development and management of space (organization and expansion). At Mashteuiatsh, the challenge is to avoid a destructive conflict between the two models and their respective clienteles, which would neutralize efforts; in other words, they must aim more towards synergy. The community of Mingan must struggle against problems specific to a remote area (health, education, etc.) and allocate human resources wisely, in order to pursue more stimulating development projects without neglecting the fish plant.

We were able to draw these conclusions as observers and analysts. These conclusions may be found in the discourse of the entrepreneurs, but they do not exhaust their perspectives. The following chapters will allow us to take stock of these other possibilities, first in terms of entrepreneurship, then in terms of management.

ENTREPRENEURS
AND
ENTERPRISES

CHAPTER VI

THE ABORIGINAL ROAD TO BUSINESS

The monographs in the three preceding chapters have shown us how aboriginal people have gradually developed, starting with the arrival of the white man, from a hunting-gathering economy (and agriculture in the case of the Hurons) towards a different culture. The rate of this transformation has been different for each community, but one common element remains: although they have not completely abandoned hunting, native people of our three communities are more and more clearly following a new path, the path of enterprise.

This chapter will attempt to trace the origins of this movement and the type of development it produces. Based on information collected during interviews with entrepreneurs and their families, we will try to understand the reasons for an individual, family or native group to start up an enterprise. We will also identify the types of organization, accommodation or compromise necessary for the venture's success.

In decoding the data and information collected during our interviews, our analysis will seek to bring out the specific characteristics and operating methods of native enterprise, allowing us to generate profiles, and to specify common elements and influences with respect to site and production sector.

The raw material for this analysis comes from discussions with entrepreneurs and those around them. As we stressed in chapter II, these interviews led the way to a more in-depth analysis, which started during the site visits, using a hypothetical-deductive procedure; we were then able to verify these first explanatory paths in further discussions with our interlocutors, before reaching firmer conclusions.

The chapter will end with an attempt to interpret these data using the model Professor Kurtness[1] developed for analyzing acculturation factors, allowing us to specify the native entrepreneur's position type in the cultural development of his community.

START-UP MOTIVES

The specialized literature allows for identifying various motives for starting up an enterprise. As we have already seen, the desire for independence, the need to feel challenged and a penchant for calculated risk are considered basic elements here. What about the native people in our three communities? If the same motivations exist, do they take on special meaning for them? Do natives have motives that are not cited in previous research on entrepreneurship?

In posing these questions, we can only take into account the underlying native culture by taking the term "motive" in its broadest sense. We are therefore just as concerned with discovering objectives and perceived causes as going beyond these expressions to discover the primary impulses. To quote from an old dictionary of synonyms, "le premier moteur d'une entreprise la fait être, alors que son premier mobile contribue seulement à la faire être [the primary motor of an enterprise actually brings it into being, whereas its primary motive only adds fuel to the motor]."[2] Though the interlocutor's statements are the main source of information, they must be put back into context, discussed with the researcher and other participants, and analyzed with respect to community debates to understand their deeper meaning.

For example, is the individualist ideology that pervades the literature on entrepreneurship confirmed by the experience of native people? Or, on the contrary, is there reinforcement of the argument about incompatibility between a community-oriented culture and the enterprise as a means of expression and creativity?

In this type of question, the answer given by a Wendake entrepreneur who states community motives, in a context of "sole proprietorship" family enterprises, must be interpreted differently from an identical statement by a counterpart in Mashteuiatsh, a community undergoing a strong ideological debate on this theme.

In general, the statements of native entrepreneurs immediately confirm the importance of the notions of independence and autonomy; however, they are related to determining incidents and events in a different context for each enterprise. In fact, one of the primary motives of the entrepreneurs we met with is the desire to control their future, whether individually or as a group, which translates, among other things, into creation of their own jobs or jobs for others. The individual's intention at the outset, then, is "to be his own boss", to ensure a decent income or extra income for his family, "to make a living doing what he likes", "to be active, to produce".

For groups, on the other hand, the intention is to create jobs on the reserve, to take control of economic development or obtain decision-making positions. Deep down, among individual owners and founders of community enterprises, there is a will to act, to take charge of a situation. This is a common characteristic among our entrepreneurs, even if conditions for starting up enterprises differ.

The history of each enterprise shows the native entrepreneur to be an individual who reacts with a creative activity to certain conditions. His motivations are related to an ability, according to Toulouse,[3] which consists of knowing how to take various elements of the environment and combine them to form a new reality. Far from sitting back and waiting, or seeing themselves as victims (or to use a popular expression, *losers*), native entrepreneurs are individuals committed to action.

Experience seems to confirm the following as being the foundation of native entrepreneurial culture: reacting positively to various events (loss of job, poor labour conditions, inheritance, etc.) by working towards what will constitute a personal (or collective) realization and thereby ensuring oneself an income. The native entrepreneur goes through stages of life that are common to all natives, but his ability to combine elements is individual, flourishing and explosive like life itself.

Determining Events

Determining events include the normal stages of life, unhappiness with day-to-day existence and more or less painful events, which transform a desire to act into a creative decision. Despite great diversity, the interviews allowed for identifying five main types of determining events.

Misfortunes

Misfortunes are a very frequent case: loss of job, closing or sale of a factory, end of a contract, dissent in the work environment, illness, etc., leaving the head of the family unable to exercise his profession. These incidents, so often resulting in dependence, provide the potential entrepreneur with the push he needs to "set off on his own".

There are numerous examples: when the snowshoe factory closed where he had been working for 15 years, a Wendake resident decided to turn his part-time activity (installing mufflers) into a full-time job and start up his own business with an associate.

For another person, the factory where he had been working burned down and he came up with the idea of constructing a building and leasing it to his employer; afterwards, he purchased the machinery and stock and became owner of the enterprise.

There are also many cases in which the head of the family can no longer exercise his former profession (plumber, construction worker, etc.) due to age or ill health. In such cases, it is generally the spouse who suggests that the couple profit from their manual skills to start up an enterprise, manufacturing handicraft items. We saw examples of this in Mashteuiatsh, Wendake and Mingan.

Career Development

Is a person dissatisfied with his job? Or does he feel that his income is inadequate to support his family? For potential entrepreneurs, such feelings become sources of motivation, provided, of course, that they are combined with a specific context or conditions, which we will discuss further on.

This was the point of departure for a former office clerk, who felt that his job was below his abilities. Based on his love of cars (as a pastime, he washed his friends' cars) and encouraged by several tradesmen, he decided to start up his own car wash.

Another entrepreneur wanted to ensure his family's security by adding some extra income. While working for a snowshoe and moccasin manufacturer, he made harnesses at home in the evenings and on weekends. This was the point of departure for his first enterprise, snowshoe manufacturing; afterwards, the enterprise went through various changes in orientation and now produces ladders and stepladders.

Retirement

Retirement is an interesting determining event. For many, this is a time of crisis or rest; for entrepreneurs, it is an opportunity for achievement.

After having worked for 25 years as a salesman for an equipment company, a current owner-manager retired and returned to the reserve. Two years later, he became active again and invested in a factory, which he eventually owned outright.

Another person worked all his life for various firms, both in Canada and the United States. At retirement age, he realized that he did not have an adequate pension fund to ensure his income. He then decided to "go into business" and set up a mechanic's shop.

In the same way, many retirees are able to put the skills they acquired during a long working life at the service of their new enterprise: a former lumber camp manager went into the construction business, a specialized worker went into mechanics, a forestry engineer went into an agro-forestry cooperative.

Although for individuals dissatisfied with their working conditions or forced out of their jobs, it is often their hobby which determines the entrepreneurial opportunity, for retirees, it seems to be based more on the knowledge and abilities acquired during their careers.

Love of a Trade

The determining element may also be a passion for a certain activity. Of course, this applies mostly to handicrafts, where someone who has mastered a technique decides to commercialize his output. His manual skills form the basis of the enterprise. But aside from handicrafts, there are other activities on which enterprises may be based, such as fishing, hunting, trapping or artistic creations (sculpture, painting, etc.) which the individual is passionate about.

This is the case with the Mingan tannery; the enterprise started out by tanning and selling what the owner brought back from hunting. Or a Wendake worker who began making snowshoes with his father at the age of six. Another person learned how to make moccasins and shoes with his father; and a third learned the art of working furs from his father and grandfather.

Personal Commitment

We also observed that certain individuals commit themselves to a social or community type of enterprise, following up on their personal concerns or their situation in the community.

For 26 years, a community entrepreneur had a keen interest in the social and economic development of his community. In addition to his involvement in various humanitarian and social projects, he participated in starting up a food cooperative.

At Mingan, the directors of a Manitou-Mingan outfitting project hope to develop the tourist potential of the river and prove the effectiveness of native people in managing wildlife resources.

Obviously, these start-up motives are only some of the motivations for becoming an entrepreneur. In some cases, it may also be a combination of the stages of life, abilities, hobbies, misfortunes, or social involvement that lead to the creation of an enterprise. However, these five categories include most of the determining elements which drove our aboriginal interlocutors to start up enterprises.

Contextual Elements

Various determining events listed in the previous section are contextual elements, in one form or another; in any case, their positive effect seems inseparable from the environment in which the future entrepreneur develops. For example, a man recently out of work only starts up his handicrafts enterprise at his wife's encouragement and with her help. A retiree makes use of capital that has become available or, on the contrary, reacts to the precariousness of a pension plan. The community entrepreneur responds directly to a mission inherent in his community. The context therefore appears inseparable from all the start-up motives, since they always constitute the background against which more immediate and more personal factors for each entrepreneur will come into play.

Nevertheless, there are many cases where the context plays a much more direct role and where the native entrepreneur seems "driven" by his environment. Certain conditions of family, social and cultural life are sometimes added to the circumstances (grant programs, community claims, etc.) to create favourable opportunities which encourage certain groups or individuals to start up an enterprise.

Family Environment

For most sole proprietorships, family environment is the main source of inspiration. Some will take over and develop an existing family enterprise; the immediate family therefore acts as a motivating factor.

- A Wendake craftsman plans to continue the work of his father, by reproducing scenes of Montagnais life and operating the business his father had originally opened in Sept-Iles.
- Others have been manufacturing canoes, moccasins or snowshoes for decades; they found inspiration in the workshops of their fathers and took over.
- One fur business has been a family tradition for four generations. In the beginning, it was only a shop where trappers came to sell what they brought back from hunting. Today, the enterprise sells furs on the national and international market and the business includes a production workshop.
- The same holds true for an enterprise that manufactures snowshoes and moccasins, which the father started up. The son then bought the enterprise and developed the shoe market, among other things.

But for others, the immediate family (father, mother, sisters, brothers) or extended family (cousins, in-laws, etc.) may also serve as a model, without being directly involved in the creation of the enterprise.

- A Wendake entrepreneur owns a shop that produces handicraft products. Her brother and father-in-law (both entrepreneurs) initially helped her find prospects by putting her into contact with potential buyers. Moreover, this woman comes from a family that is familiar with the world of business. Her father, now deceased, owned a factory; her mother has run a business before and both of her brothers are shopkeepers.

- Another owner-manager now specializes in selling construction materials. His family was also familiar with the world of business; he first worked for his father, who owned a heavy machinery enterprise. When he decided to start his own business, he received a loan from the firm managed by his brother.
- Another entrepreneur opened a clothing section in her husband's general store. Due to her husband's ill health and the opening of a Bay store, the enterprise folded. However, this woman persevered with sales and today operates a handicrafts boutique set up in her home.

We observed other cases that were just as interesting, where the size of the enterprise coincided with that of the nuclear family, or sometimes the extended family.

- A husband and wife own a kiosk where they sell (especially in summer) products they produce at home. They also want to pass on their knowledge and tradition to their children, whether it be manual skills, business conduct or finding their way in the forest.
- A family manages a tannery in Mingan where all members of the family work. The father is responsible for production operations and the mother for product marketing. Each child is responsible for at least one stage of the production process. For the parents, it is important to be able to pass on their knowledge and culture to their children, so that one day, they can take over management of the enterprise.

These examples clearly show the great importance of the family in native enterprises: profit-sharing for family members, concern for preserving heritage, solidarity when faced with adversity, assistance during start-up, place for apprenticeship, inspirational model. These are all ways of expressing the profound vitality of the family. These elements allow for better appreciating the native entrepreneur's desire (so often expressed) to limit the growth of the enterprise to a level that allows for maintaining family life and "time to live". Perhaps these factors also explain the preference for small enterprises, compared to larger, more structured organizations, such as the fish plant at Mingan or large projects financed by bureaucratic superstructures (INAC, James

Bay and Northern Quebec Agreement). However, we must point out that in their own way, these institutional elements also act as motivating factors for entrepreneurship.

Social and Cultural Environment

As we saw more generally in chapter I, the fact of living in an environment like an Indian reserve necessarily influences the creation of enterprises. Although Indian status offers entrepreneurs a fiscal advantage, it also means inconveniences, such as the difficulty in obtaining the loans required to finance the enterprise and more or less strict governmental guardianship. More than anything, the fiscal advantages and subsidies are compensations for the inconveniences of Indian status; for the entrepreneurs we met with, they were not a determining element in their decision to go into business: the future entrepreneur would not be motivated by such programs. It is rather his personality, family history and the support he is given, in addition to the determining elements discussed in the previous section, that constitute the real reasons for his decision. We will return to the beneficial effects of programs and subsidies and examine in greater depth the concrete effects they may have on the entrepreneur's decision and the possibility of going into business. For the moment, we should keep in mind these truly compensatory and secondary effects with respect to the human elements.

Even for the community enterprise—created by a band council, group or cooperative—these institutional factors seem secondary with respect to other contextual elements. What is essential in the creation of community enterprises is an identification with the community and the desire to participate in its development. Moreover, individual entrepreneurs echo this concern, although it does not seem essential to their decision to go into business. The community entrepreneur, on the other hand, makes this concern a vital element and his choice often corresponds to a desire to preserve native character while modernizing it: the collective enterprise then becomes a privileged vehicle of the cultural syntheses required for community development, a means of preserving its special character and fighting against assimilation into White culture.

In light of what we called the "individualistic ideology" in the specialized literature on entrepreneurship, this orientation raises many questions. Should we interpret this special character of Montagnais culture (more community enterprises there than Wendake) as an explanation of this phenomenon? Various interpreters have emphasized that in this culture, self-esteem is based more on sharing goods than accumulating them. Does this provide a better explanation than other contextual elements, such as remoteness, scarcity of resources and markets, or the nature of start-up motives for collective Montagnais entrepreneurs?

Our observations clearly show that, for native people, cultural factors are a strong incentive for starting up a business. We will cite two examples, first an individual entrepreneur, then a community entrepreneur, which clearly illustrate the relation, for native people, between creating an enterprise and the will to affirm the pride and ability of their race.

- Behind the personal challenge and beyond family tradition, one Wendake entrepreneur cited the desire "to show that Indians are capable of succeeding in business" as a motive for going into business. This young entrepreneur sees his business as an Indian success.
- For Mingan's band council, it is important to interest native people in developing enterprises or business projects on the reserve. As for the shellfish plant, the council aims at putting native people into key decision making jobs. Its outfitting project has two major interests: defending community interests (land ownership) and proving that native people can effectively manage wildlife resources.

Institutional Factors

We mentioned previously that, in most cases, institutional factors related to Indian status appear to be strictly compensatory for the negative aspects of this status; these compensations are quite unsatisfactory, according to the entrepreneurs, who complain less of their insufficiency than of the bureaucracy and indiscretion attached to them. Tax exemptions and subsidies would therefore have little effect on a decision to go into business.

However, we must note their greater significance for the success of enterprises, especially for community enterprises and seemingly, for individual entrepreneurs who are more educated or more familiar with administrative methods. The support coming from these programs, whether financial assistance or management advice, must pass through language, standards, relations and networks before reaching the heart of the enterprise. Individual entrepreneurs, strong from their experience, often pride themselves on "not having to deal with those people." On the other hand, younger and more educated entrepreneurs, particularly community entrepreneurs, will regard the institutional advantages as a minimum, as a slight compensation which they cannot logically deny themselves. For this new class that learns to deal with red tape and civil servants, it is a business strategy like any other, which must be taken advantage of to create employment on the reserve.

For more experienced entrepreneurs and those more limited to the family context, these programs do not appear to be incentives for starting up an enterprise; in the extreme, they will fall back on them to consolidate the enterprise, if help from the extended family is inaccessible, for one reason or another. For a new class of entrepreneurs, younger and better educated, or more community oriented, these programs will appear not only as consolidating factors, but as "business opportunities", likely to create employment, though temporary. The best example is that of Mashteuiatsh's agro-forestry cooperative, which takes advantage of a program of Quebec's ministère de l'Énergie et des Ressources to carry out its activities and create employment in the forestry sector.

Another institutional element of remarkable influence is chronic unemployment: many entrepreneurs have progressively climbed their way out of this situation, by living off transfer payments long enough to allow their idea to germinate and their project to develop. Little by little, extra income coming from their activities and hobbies has replaced transfer payments and the enterprise has taken shape. This is a form of "creative unemployment" which undoubtedly would have pleased Ivan Illitch!

A final contextual element is found most often on reserves like Wendake, where the economic fabric is already sufficiently dense: that of sub-contracting. A joinery in Wendake was started up because the entrepreneur had learned wood-working from his father, but also because a snowshoe manufacturer had to satisfy the demand of a growing market and could sub-contract the production of frames: the entire production of this joinery initially supplied the manufacturer.

The entrepreneur's training comes into play, therefore, in his choice of enterprise; acquisition of basic knowledge in the family environment, attitude towards institutional factors, and the ability to create business opportunities from idle periods or market needs are all elements which constantly recurred in our observations and relate to the apprenticeship and training of native entrepreneurs.

Training

Almost none of the owner-managers we met with had received training in administration as we conceive of it today, in other words, administrative techniques taught at the collegiate level, or the university bachelor level.

On the contrary, some were forced to leave school at a very young age, for various reasons, for example, family reasons. Others quit by choice, hoping to get into the job market and gain more independence. Many of them say they felt uncomfortable in the educational system that was offered to them.

Of those who continued their studies, many finished their secondary education, only a few finished CEGEP and very few received a university diploma. Some entrepreneurs, today in their fifties, completed what used to be known as business school. Finally, once the enterprise was started up, some received training based on their needs, especially in accounting and bookkeeping.

As we have already stressed, they often learned a traditional technique and developed manual skills which would form the basis of their enterprise. Others were first employed elsewhere, which gave them practical experience. For the native entrepreneur (as for the White entrepreneur, in general), a profession is neither learned through books nor through constantly watching others, but by getting down to work. They learned business "on the job", through trial and error.

Consequently, there is often a danger of improvisation, which may turn into a risk of failure, if the entrepreneur does not discipline himself. Some make use of specialized services, in accounting, for example. Others, not as common, will even have consulting firms evaluate their market or their enterprise: management, operations, decision making, etc. In small (family type) enterprises, when a difficult decision is to be made, it is customary for an entrepreneur to consult a relative he has confidence in.

Consequently, the type of training native entrepreneurs receive may be listed along with the start-up motives, at least as a determining contextual element. In this culture, apprenticeship is not yet entirely dissociated from a contribution to family and community life: nearly all of our entrepreneurs acquired their knowledge through experience, by imitating their fathers, mothers, relatives, or former employers. Native entrepreneurial culture therefore appears to be focused more on production and the product itself than on sales or other functions of the enterprise. We will return to this element in the next chapter, as it determines the native entrepreneur's basic attitude towards management and greatly conditions the growth of the enterprise and its factors of success and failure.

Significance of Motives and Conditions for Starting up Native Enterprises

Start-up motives are seemingly quite diversified: determining events, employment situation, retirement, misfortunes, mishaps, love of a trade or personal involvement are combined with contextual elements such as family, community, institutions and methods of apprenticeship to create favourable conditions for certain individuals to start up enterprises, often the same conditions that lead others to abandonment and depression. Before studying the characteristics of individuals who react as entrepreneurs, we will present a summary table, showing start-up motives and conditions for all of the sites, with the enterprises arranged according to production sector. We will then be able to determine which start-up motives seem to coincide with each main production sector.

We will first examine the handicrafts sector (sales and production), then retail and services, and finally, the manufacturing sector. Given the small number of enterprises in the primary sector for the three sites, we included them in the manufacturing sector. Three tables (13, 14 and 15) provide a better overview of the motives and conditions for start-up and growth in each sector.

Handicrafts Sector

In this sector, the entrepreneur's immediate environment is clearly a key factor in the decision to go into business and the success of the enterprise. At this stage, the family intervenes explicitly in six out of 14 enterprises and less explicitly in a seventh, for extra income. In two other cases, this role is played by the entire community (enterprises 10 and 14). This clearly demonstrates that the native craftsman goes into business based on family and community support: assisting a spouse who is in difficulty, increasing family income, ensuring the children's future and perpetuating the art and tradition of one's parents all show the influence of the source community (family, but also nation for community enterprises) in the decision to go into business, which is imposed on all other motivational elements.

Table 13
Motives and Conditions for Starting up Handicraft Enterprises in Wendake, Mashteuiatsh and Mingan

Enterprise	Motives	Conditions
Enterprise 1	• Increase family income. • Be his own boss. • Construction skills and enjoys working with construction materials.	• Father was entrepreneur. • Jobs for family members. • Workshop manager. • Enterprise at home. • Spouse works part time.
Enterprise 2	• Income to support the family. • Extra income for retirement.	• Worked with father from the age of six. • Works with spouse. • Production at home.
Enterprise 3	• Loss of spouse's job. • Enjoys handicrafts.	• Absence of spouse, handicrafts as pastime. • Workshop manager. • Loss of spouse's job. • Production at home.
Enterprise 4	• Enjoys working with construction materials. • Practice his profession.	• Learn several trades and return to basics. • Work and sell from home.

Enterprise	Motives	Conditions
Enterprise 5	• Took over father's shop. • Works at what he enjoys.	• Apprenticeship with father.
Enterprise 6	• Continued work of father. • Pass on traditional values through native handicrafts.	• Father was craftsman and retailer.
Enterprise 7	• Extra income. • Enjoys handicrafts.	• Spouse runs general store. • Interest in lingerie. • Illness of spouse, closing of store. • Opened a boutique next to her house.
Enterprise 8	• Make a living from his art.	• Father and mother craftspeople. • Independent workshop at home.
Enterprise 9	• Continue work of father and grandfather. • Enjoys the profession. • "To make a name" in the field.	• Tradition of four generations. • Knowledge of the field. • Workshop next to home.
Enterprise 10	• Renew handicraft products. • Possibility of bringing craftspeople together. • Give new life to traditions.	• Intervention and assistance of band council.
Enterprise 11	• Income for the family. • Spouse can no longer exercise former profession. • Pass on traditions and knowledge to children.	• Produce together at home, then sell during the summer. • Point of sale next to home.
Enterprise 12	• At first, extra income. • Then, income for family. • Enjoys handicrafts.	• Manager of kiosk for the band council. • Bought back the business and started out on his own. • Illness of spouse, business became sole source of income.
Enterprise 13	• Income for the family.	• Entire family apprenticed in a tannery. • Modest beginnings in basement. • Expansions; integration of entire family in the work

Enterprise	Motives	Conditions
Enterprise 14	• Collaboration for purchasing common materials. • Distribution of orders between craftspeople.	• Each individual produces at home. • Sales at summer kiosk.

But this importance is not related solely to these objectives. Conditions for start-up and activity are themselves affected just as profoundly. Table 13 shows that the community lends assistance and support to both of the community enterprises and that all the individual enterprises, without exception, operate within the family fold: family support for manufacturing, sales or financing, work area in the home or next to it, apprenticeship in the family environment. All these factors clearly demonstrate that, in handicrafts enterprises, the source community—the entire nation, immediate or extended family—is an essential element. In the handicrafts sector, native enterprise may be seen as an extension of the family or community, following a model similar to what the authors described as the production mode and traditional sharing of native people, and the hunting-gathering economy.

Obviously, in many cases we see more personal and individualistic motives. But they vary enough from one case to another to prohibit any typology. Nor does this interpretation allow for assessing the significance of each stated motive with respect to the others. Nevertheless, the strategic importance of the source community appears indisputable. Is this the case in the other sectors?

Retail and Services

This sector presents a much more complex picture. Though the preference for the source community still clearly dominates in all community enterprises, the same does not hold true for individual enterprises.

In terms of motives, we see that retail and service enterprises are divided into three nearly equal groups. The first group still refers to the family, explicitly in five cases and more indirectly in three cases where the family will take over the enterprise: it is no

Table 14
Motives and Conditions for Starting up Retail and Service Enterprises in Wendake, Mashteuiatsh and Mingan

Enterprise	Motives	Conditions
Enterprise 1	• Be his own boss.	• Worked for several years as a waiter. • Bought his own snack bar with his wife. • Associated first with another couple. Divorced, then he started running the business alone.
Enterprise 2	• Passion for cars. • Be his own boss. • Other tradesmen suggested that he go into business.	• Worked in the army. • Worked as a clerk. • Washed cars as a hobby. • Dissatisfied with his job, he started his own business.
Enterprise 3	• Income for the family.	• Father was an entrepreneur.
Enterprise 4	• After retirement, wanted to become active.	• Inheritance, invested in an enterprise in difficulty. • Afterwards, became owner.
Enterprise 5	• Challenge, ambition. • Prove that native people can succeed in business.	• Father was entrepreneur, worked first for him. • Financial support from brother: ready to start up enterprise.
Enterprise 6	• Be his own boss. • Freedom to make decisions. • Not being under someone else's orders.	• Worked at a very young age. • Progressive transformations into current business. • Family support at work (mother, wife).
Enterprise 7	• Ensure income with work he enjoys.	• Worked first for a retailer. • Then bought the business. • Daughters will take over.
Enterprise 8	• Support his family. • Ensure better pension.	• Took over father's business. • Purchased materials to obtain contracts.

Enterprise	Motives	Conditions
Enterprise 9	• Have greater independence, work for himself.	• Started by renting out tools in his basement. • Added machinery, growing demand: started his business.
Enterprise 10	• No pension fund built up.	• Held various jobs in his field. • Purchased equipment from bankrupt enterprise, built workshop and opened business at 60 years old. • Son to take over.
Enterprise 11	• Loss of job, factory closed. • Ensure income.	• Welder. • Worked first part time. • Associated to start enterprise.
Enterprise 12	• Provide community with food service. • Create jobs on the reserve.	• Population had to go elsewhere for this service. • Project instigators, people involved in the field (band council, credit union).
Enterprise 13	• Extra income for family.	• Started slowly, then grew (restaurant). • Encouraged by a local contract. • Occasional contracts. • Thinking of reconverting business and changing fields.
Enterprise 14	• Continue working more at his own pace.	• Previously owned a general store. • Had already worked with his father.
Enterprise 15	• Do satisfying work.	• Worked first for his brother. • Created a small business in his basement. • Afterwards, purchased a business in the village.
Enterprise 16	• Develop a family enterprise. • Support income.	• Enterprise set up by wife's parents. • Increased services.
Enterprise 17	• Owned by band council: develop tourist potential and create jobs.	• Management ensured by a native on the reserve.

Enterprise	Motives	Conditions
Enterprise 18	• Create jobs on the reserve. • Offer this service to population. • Achieve greater financial independence.	• Projects being carried out.
Enterprise 19	• Develop tourist potential. • Promote community interests (land claims). • Prove effectiveness of natives in managing wildlife resources.	• Construction of chalets completed. • Growth and development in progress.

longer clear that the enterprise is serving the family. It is perhaps even the contrary, since the concern is ensuring the survival of the enterprise. A second group of enterprises show work-related motives: being one's own boss, not depending on others and working at a trade one enjoys are basic motives for seven enterprises. The third group, which also comprises seven enterprises, shows primary concerns with personal income, either for the present or for retirement. There are enough enterprises with stated profit-making objectives to form a separate category, but we took family concerns into account when the entrepreneurs stated a desire to increase income; in these cases, we placed these enterprises in both groups 1 and 3.

The picture is just as complex in terms of conditions. Native entrepreneurs in the retail and services sectors rarely follow family tradition, though they may have worked within the family, had a father in business or benefited from family support (six cases in all). The incidence therefore remains sufficiently high to confirm the significance of family tradition in the emergence of the enterprising spirit, further reinforced in this group with three references to family members taking over the enterprise.

However, we observe a large group of entrepreneurs who apprenticed in other enterprises, a distinct contrast to handicrafts enterprises. At least eight entrepreneurs fall into this category, and we can easily add all cases of community enterprises.

How should we interpret this trend? First of all, we must emphasize that many of the service enterprises are located in

Wendake, and consequently serve a clientele which borders the reserve. Moreover, the very nature of services and the technological development often related to them allows less reference to traditional knowledge. We must also note that, although reference to the source community (once again, nation, immediate family or extended family) no longer has the quasi-monopoly here that we saw in the handicrafts sector, it is still very strong, in fact just as pronounced as the other trends. Native entrepreneurs in the services and retail sectors thus appear to be driven by three influences of nearly equal force: the source community itself, the desire to increase income, and the desire for independence. The fact that none of these trends distinctly prevails is itself a distinctive characteristic and maintains the image of entrepreneurs rooted in their environment.

Nevertheless, this more complex picture raises interesting questions about the cultural development of native entrepreneurs, an element we will return to at the end of this chapter. We will now look at the manufacturing sector and the three enterprises from the primary sector which we included here.

Manufacturing Sector

We have nine enterprises in this category, including three assimilated from the primary sector. It is remarkable that, for these fields, the trends practically mirror those we observed in the handcrafts sector. In terms of motives, only two enterprises do not refer to the source community. Three individual enterprises refer to the family and four community enterprises are concerned with developing the reserve. As for start-up and operating conditions, there are four references to family and four to the community.

These observations allow us to enrich our conclusions about the retail and services sector. It is possible that resource development, handicrafts and manufacturing are situated on a single axis, acting as a kind of extension of traditional culture, starting with the raw materials to their more or less complete transformation. Moreover, retail businesses and services really have no counterparts in a traditional culture which, aside from classical trading, is based on sharing. It is understandable, then, that this industry attracts people who maintain a community orientation, while manifesting much more individualistic intentions and expressions. Finally, we must note the predominance of the community enterprise in the primary sector, although we have too few examples to draw absolute conclusions.

Table 15
Motives and Conditions for Starting up Manufacturing Enterprises in Wendake, Mashteuiatsh and Mingan

Enterprise	Motives	Conditions
Enterprise 1	• Anticipated retirement, wanted to become active again.	• 25 years of experience as a salesman. • Purchased stock and equipment with personal savings. • Plans for son to take over.
Enterprise 2	• Ensure a decent income for his family.	• Started out in basement part time. Worked elsewhere at the time. • Then opened a factory. • Enterprise goes through various changes before current form.
Enterprise 3	• Continue family enterprise.	• Learned trade with his father. • Buys the enterprise. • Transformations and developments.
Enterprise 4	• Possibility of sub-contracting.	• Learned trade with his father. • Development of enterprise.
Enterprise 5	• Change in laws. Enterprise for which he worked can no longer be an owner on the reserve.	• Learned trade with his father. • Employee in a non-Indian company. • Buys the enterprise from his former employer.
Enterprise 6	• Create jobs for native people. • Recover key jobs and decision making positions for native people.	• Management ensured by a White from neighbouring village. • General management contract, ensured by an enterprise in the same sector.

Enterprise	Motives	Conditions
Enterprise 7	• Create jobs on the reserve in the agro-forestry field. • Protection of territory.	• Initiative of a forestry engineer who spent several years working for the government. • Special grant program.
Enterprise 8	• Create jobs on the reserve.	• Management ensured by a former construction foreman, now retired. • Must obtain concessions for cutting trees.
Enterprise 9	• Provide raw materials for the community plant.	• Purchase and maintenance. • Difficulties in regularly supplying the plant and promoting employment.

This section has shown the extent to which native entrepreneurs are attached to their environment, to a source community made up of their immediate family, extended family or the entire reserve. These ties are expressed as much in the motives themselves for starting up enterprises as in their operating conditions.

However, this background does not represent a full picture of native entrepreneurs, who also show personality traits of the typical entrepreneur, as described in the specialized literature and presented in chapter II. For example, especially in the retail and services sector, we saw the emergence of enterprise models less dependent on traditional support. Although affability seems to be a dominant fundamental trait of the native entrepreneur and his community, it does not prevent the expression of entrepreneurial personalities and strategies based on different, new or emerging values, which the preceding tables show clearly enough. Other values, corresponding to the typical profile of the native entrepreneur, emerge next to these largely predominant community values. We can now develop these parameters to illustrate the native entrepreneur's characteristics and to give a general profile of the orientation and functioning of enterprises.

CHARACTERISTICS OF ENTREPRENEURS

We will not attempt a point-by-point verification of similarities between the personality traits of entrepreneurs in the specialized literature and the profiles of native entrepreneurs that we met with. Our aim, instead, is to refine the portrait of the native entrepreneur sketched in previous sections and emphasize its general significance with respect to the conclusions of previous entrepreneurial research.

The interviews we conducted with entrepreneurs themselves and members of their community allow for establishing at least seven broad characteristics, constant enough to be considered as "personality traits of the typical entrepreneur" among native people: love of work well done, commitment and flexibility, the need for independence and autonomy, self-confidence (in the sense of internal locus of control), the ability to take risks, the need to face challenges and, as we have shown, a deep attachment to the environment.

The love of work well done represents a primary characteristic, explained perhaps by the large number of handicrafts enterprises in native communities. Craftsmen consistently point out their pride in the product and the work itself, because they continue ancestral traditions and artforms. Those who must produce kitsch to survive suffer because of it and many regret that buyers do not appreciate the product's workmanship. Nevertheless, we must note that this love of work well done is also evident in other production sectors: car washing, tire service, etc. This characteristic may be closely related to the second one, commitment.

To meet their objectives, native entrepreneurs make a total commitment to their enterprises, at least in family-type enterprises. Among community entrepreneurs, interest is not limited strictly to the enterprise, as they must constantly respond to other mandates. But the hours of work invested are no less. Nearly all the entrepreneurs we met with see work as the first key to success. Work weeks are long and entrepreneurs prove themselves capable of making this sacrifice with no immediate proportional compensation. In short, commitment is an important value, expressed in a true *leitmotif*: "don't count the hours you work".

This commitment is further expressed in the ability to perform various functions in the enterprise. At least in the beginning, the native entrepreneur acts as a jack-of-all-trades: purchasing, production, sales, management, maintenance, etc. When the enterprise grows, the work is distributed, within the immediate or extended family if possible, and the staff will be used according to each person's strengths and abilities. In most cases, however, the entrepreneur will not easily give up his right to oversee production or the element of the project which was his initial idea.

The need for independence and autonomy is another fundamental characteristic, and is very frequently mentioned. Whether entrepreneurs quit their jobs in another enterprise or the public service, or simply follow the example of a neighbour who has profited from taking a risk, they clearly feel the need to escape from routine work and take control of their fate.

Self-confidence is certainly a necessary quality for freeing oneself from routine. Native entrepreneurs hold a strong conviction that they can control their fate. They make their decision to go into business in the same conditions that lead others to abandonment. Native living conditions in Canada, as presented in chapter I and in the three chapters dealing with the sites studied, often lead to suicide, depression, abandonment, and other profound types of crises. The atmosphere can be very heavy on an Indian reserve, dusty, no trees, with its idlers and victims of failure. In these conditions, the decision to start up an enterprise shows a fighting spirit and a firm resolve against fatalism and destiny.

Moreover, this decision involves risks, social and family risks—because of ridicule in case of failure—but also financial risks. Referring to tables 13, 14 and 15, we will see how many entrepreneurs gambled with their savings to start up a business. Similarly, quitting a regular and sometimes well-paying job is further proof of the risk-taking ability of native entrepreneurs. This quality will be evident in every decision that is important for the survival or growth of the enterprise, and in the will to start over after a first failure.

The love of risk is coupled with the need to face challenges. Among native people, this is often a synonym for ethnic pride: they not only prove their competence, they also prove that Indians can accomplish things. The need to face challenges also takes on a community dimension, not surprising in light of our previous conclusions.

Native entrepreneurs are individuals integrated with their community. In general, they seek to preserve their native identity, aware of the problems faced by natives as a cultural minority. Consequently, many have been or are still involved with their band council, as councillors or chiefs (the men in particular). Other entrepreneurs belong to health or education councils (women in particular). They also belong to groups of retailers, craftsmen or sit on the board of directors of cooperatives or associations.

The personality of the native entrepreneur, in addition to the common elements listed in the specialized literature, presents some more specific qualities. Primarily, we see their strong attachment to the source community, family or nation. We also see a different ordering of the traits identified in the specialized literature, with elements specific to native cultural tradition being reinforced, such as love of work well done and love of the product.

We should recall that the personality traits of the entrepreneur, as defined in the specialized literature and presented in chapter II are, in order, the need for accomplishment, creativity and initiative, risk-taking and the setting of goals, self-confidence (*internal locus of control*), the need for independence and autonomy, motivation, energy and commitment.

When we compare this profile with that of native entrepreneurs, three conclusions seem evident. First of all, native entrepreneurs share nearly all of the traits listed in the specialized literature; moreover, none of the traits is completely lacking, although some appear less pronounced. Furthermore, the order is not the same. We know that in the specialized literature—and especially in McLelland—the order in which these characteristics appear is in itself quite important: it is a kind of scale of values. The third conclusion resulting from a comparison of the two lists relates to community orientation, which also seems original.

Are we dealing with an individual case and are native entrepreneurs fundamentally different from their North American counterparts? It is difficult to give a satisfactory answer to this question, which is quite secondary with respect to our research objectives: our primary goal is to accurately portray the native entrepreneur, and not to determine if he fits into the family portrait. It is precisely this orientation which justified our choice of an autonomist methodology, more adapted to detailed study of the subject than to acute generalizations.

Still, the question is not without interest; moreover, it would be easier to answer if the specialized literature did not itself show serious gaps in this regard. We cannot help detecting a certain leniency with regard to the pioneering study of McLelland; it is now outdated and needs to be redone and verified in different contexts. We would then be more confident that the "portrait" of the entrepreneur faithfully corresponds to the subject being discussed and, in particular, we could determine if the universalist shading of this portrait results from empirical study, rather than the sedimentary effects of laudatory literary reviews.

In existing conditions, we can only assume that this portrait of the entrepreneur differs according to the society in which the enterprising spirit emerges. In any case, this is the conclusion suggested by Professor Gasse's[4] essay on research and intervention strategies in entrepreneurship: it states that social determinants such as family context, social origin, availability of resources, personal experience, educational system and other environmental factors strongly contribute to modelling the enterprising spirit and, as a result, the particular profile of entrepreneurs in a given environment.

Undoubtedly, these contextual elements modify the ordering of native entrepreneurial characteristics and highlight certain traits with respect to others. Similarly, the importance of family history is seen both among Whites and native people, but is more pronounced among natives, as the family itself becomes a place of enterprise. On the other hand, a White entrepreneur in a small, remote community may have an identical experience. Love of work well done is shared by all true craftsmen in the world. Does this occurrence elsewhere diminish the importance of such elements in the emergence and "particular" character of native entrepreneurship?

These considerations illustrate the superfluous character of lengthy discussions on the specificity of native entrepreneurs compared to their White counterparts, the main issue not being to determine if they resemble someone else, but understanding what they represent in their own environment. The same reservations will be needed in the following chapter, where one could easily get lost in making lengthy comparisons about how native people manage their enterprises: in an exploratory study, it seems more appropriate to determine *how* native entrepreneurs work and not *who* they resemble.

In short, the native entrepreneur's characteristics allow for identifying personalities which are strong and very pronounced, but deeply rooted in their source community. This subtle interplay of community and personal influences obviously affects an enterprise's style and functioning. Here again, we may distinguish several main enterprise types or profiles.

FUNCTIONING OF ENTERPRISES

Family Profile

The data and observations collected on site reveal three types of functioning in native enterprises. We will first identify what distinguishes them, then identify their common characteristics.

The first operational mode corresponds to the strict family profile. The expression "to make enough to live" clearly summarizes the aim of this type of enterprise. The entrepreneur's primary concern here is supporting his family, or ensuring his welfare in retirement, but there is no intention (or has been no intention) of expansion. In addition, the only employees of these enterprises are the spouse or children, and the owner-manager participates in all duties related to production and administration. The enterprise may not successfully meet all the family's financial needs; in which case, the entrepreneur or his/her spouse takes on a second job elsewhere, either during the entire year, or on a seasonal basis. The enterprise is also based on the entrepreneur's knowledge and manual skills that have generally been learned within the family, from the father or mother. If he has important decisions to make, the entrepreneur consults a friend or relative he trusts. He does not like to borrow, nor to use a line of credit, and feels uncomfortable with this type of procedure. This type of entrepreneur went into business, therefore, primarily to ensure an income by practicing a trade he enjoys. The family type of enterprise is found most often in the handicrafts manufacturing sector and small retailers.

They have two main types of problems; the first (common to all) relates to obtaining the financing required to start up the enterprise. It is not easy to obtain a loan from subsidizing organizations or financial organizations, given the institutional framework described in chapter I and the uncertainty of the business projects themselves. The second major problem encountered by family type entrepreneurs is an inability to make a living from their enterprises: impossibility of regular sales that would allow for an adequate income level.

To overcome these difficulties, the entrepreneur generally tries to reduce his costs as much as possible. Among other things, he seeks out the lowest price for the raw materials or products he needs. Furthermore, he has no salaries to pay, since he works alone or with his spouse and children. The infrastructure he needs is adjacent to the family residence, which also reduces costs.

Small and Medium-sized Enterprise Profile

The other operational mode involves enterprises which are larger than the previous ones; we will use the term "SME profile", in the current acceptance of "small and medium-sized enterprises". Though this type of enterprise initially shows characteristics similar to the previous type, it differs in its finality and especially in its functioning. Like entrepreneurs of the family profile, these entrepreneurs want to ensure an income by practicing a trade they enjoy. Similarly, SME type enterprises sometimes develop on the basis of manual skills (leather work, canoe manufacturing, etc.).

However, though the family is still important (many hope to train a family member to take over), this entrepreneur's motives go beyond a concern for "making just enough to support his family". They also involve personal goals: being one's own boss, facing a challenge, succeeding in business, making a name in a certain field. Though the enterprise sometimes starts in the owner's home, it often acquires its own facilities. Family members (spouse, children) may work for the enterprise, but the SME type entrepreneur also has other employees, recruited from the extended family, at least in the beginning. Obviously, their number depends on the size of the enterprise.

Moreover, the desire for growth is more important here. The entrepreneur thinks in terms of development and initiates expansion, growth or diversification projects. Consequently, this entrepreneur already acts as a manager. He studies the rationalization of his production, plans sales and purchases, oversees hiring and staff relations. Depending on the size of the enterprise, he will hire people responsible for production, marketing or administration. Hence, this profile involves a more structured division of labour; if the entrepreneur is responsible for administration or sales, he will hire a production manager, for example. If he stays involved in production, his role will be supervisory, whereas in the family profile, the entrepreneur works as a producer.

We should note that, even in this growth perspective, the entrepreneur likes to closely monitor production, especially in the beginning. The family profile and the SME profile, therefore, are not exclusive, airtight categories; enterprises will often fall between the two. For example, in the family type enterprise, there is already a certain division of labour between family members, but it appears less hierarchical and, above all, more flexible than in the SME profile.

Entrepreneurial culture, in the classical sense, appears strongest in the SME profile. This type of enterprise is less attached to the source community; instead, the enterprise itself becomes the basic reference for the entrepreneur and, if he experiences failure, he will overcome it through his enterprise, by either modifying operations or output, or radically changing the organization's activities, mission or structure.

Community Profile

The functioning of community profile enterprises is nearly the same as that of small- and medium-sized enterprises, with some notable reinforcements. Management of these enterprises is either geared towards profitability or job creation. Market expansion, development and growth also take on greater importance. Functional aspects are more structured: production (rationalization, diversification), purchasing, sales, etc. These enterprises must establish labour conditions, salaries and staff relations. We may also observe a division of duties and responsibilities. The more complex structure may be due to the entrepreneurs themselves, who are often more educated, but is encouraged by assistance and support programs, which expose the enterprise to greater influence from experts and consultants. It also appears to be a form of protection against the political issues of a more "public" organization.

However, disparity with the SME model is greatest in terms of mode of ownership and objectives. These enterprises belong to a group and fall into two categories: they are either owned by the band council (the case with most enterprises or projects at Mingan) or they operate in the form of cooperatives. Beyond growth for its own sake, community type enterprises seek to promote community interests as much through job creation and land preservation as through improving services offered to the population.

In other words, the aim of community entrepreneurs is to make native people themselves responsible for economic development of the reserve; with this goal in mind, they attempt to lead the native population to take charge of its economic future. Without being related in their day-to-day operations, these enterprises often overlap, as certain people are involved in various projects on the reserve. The objectives of enterprises vary according to the specific geographical, demographic and cultural characteristics of each community.

As we have already mentioned, the entrepreneurial culture also dominates in collective enterprises. In fact, the individual characteristics of administrators or managers resemble those of the owner-managers we spoke of earlier. Those responsible for initiating these enterprises are often involved in more than one project on the reserve; similarly, they are members of various committees or are also councillor-members or employees of the band council.

Parallels of the Three Profiles

These three models form a continuum and the borders between them are not airtight. As in a Venne diagram, they have a surface of points that are common to all three, in addition to other characteristics shared by each of the pairs they can form (A and B, B and C, A and C), and other clearly separate elements.

The common surface is based on the following elements: a desire to earn a living from the enterprise, either collectively or individually; a common concern for progressively integrating native values, traditions and specificity into the enterprise and the reserve as a whole; management's use of various functional techniques, though a much less structured use in small family enterprises, and finally, attachment to the community and the native institutional context.

To define the elements shared by each pair of models, let A represent the family model, B the SME model and C the community type enterprise.

We may recall that between A and B, management practices differ considerably in terms of intensity and structure, as well as certain finalities and modalities of attachment to the source community. However, objectives and other motivational elements converge quite remarkably:

- the entrepreneur's desire to ensure a decent family income;
- interest in a specific trade or skill;
- a desire to be one's own boss, be free to make decisions;
- the hope that a family member will eventually take over the enterprise.

Between B and C, fundamental objectives differ, while practices are similar. They share the following points:

- desire for growth, expansion projects;
- desire to preserve and expand the market;
- a more classical division of duties and functions;
- rationalization of production;
- planning and a budget;
- a precise definition of the employer's rights and duties.

Models A and C are opposed to one another with respect to source community and management practices. However, common ground is shared by the family type entrepreneur and the community type entrepreneur in three groups: passing on of native values and culture and more generally, the affability of the enterprise-source community.

Studying the parallels between each of the three profiles confirms the following elements as being common among all entrepreneurs: reference to a source community, the desire for independence, planning and management capacities, and the desire to promote native culture through the enterprise's activities. We must add to this list the birth and development of enterprises in the specific institutional context of aboriginal Canadians.

In the preceding chapters, we have emphasized certain characteristics specific to each of the sites we studied: Wendake, Mashteuiatsh and Mingan. Clearly, each of these types of enterprise will differ according to the specific character and situation of the three communities.

The Enterprise and its Immediate Environment

As shown in table 16, Wendake appears to be the most popular site for the family profile and the SME profile, with nine and eight respectively of a total of 22 enterprises studied for the purposes of this section. Mashteuiatsh also has a significant number of family enterprises, and a strong emergence of the community model. The community model dominates in Mingan, where there is only one real family enterprise.

Table 16
Profiles of Enterprises in Wendake, Mashteuiatsh and Mingan

Profile	Wendake	Mashteuiatsh	Mingan
Family	9	7	1
SME	8	0	0
Community	1	4	6
Family-SME	4	2	0
SME-Community	0	1	0
Total	22	14	7

Again, we must note that Wendake has four enterprises currently moving from the family model towards the SME model. Conversely, Mashteuiatsh is seeing an increasing emergence of the community model, next to the traditional family model, confirming the divisions we discussed in chapter IV: an ideological gap has formed between one type of legitimacy based on the family unit and another based on the community as a whole.

These differences are explained by the enterprise's immediate environment, and its socio-economic environment in particular. In fact, socio-economic environment plays an important role in the creation and operational mode of enterprises. Thus, we find more medium-sized enterprises (especially of the manufacturing type) in Wendake than in the other communities. Since this village is located next to a large urban centre, the population has easier access to health and education services. Wendake's enterprises reach a wider market, which may explain the small number of community enterprises. Though unable to confirm (for 1988) that none exist, we can state, however, that this type of enterprise is not widespread or clearly emerging.

The objectives and functioning of some of Mashteuiatsh's enterprises may be assimilated into the SME profile, as previously defined. However, the majority do not fall into this category and, once again, the community profile appears to be the clearly developing form. We may regard this as the emergence of a new technocracy. Mashteuiatsh is an intermediate reserve in several respects. First of all, geographically, being located in a peripheral area; the population therefore has access to certain services, more services than Mingan and less than Wendake. Its enterprises are more of a hybrid character than those of the other two sites; all three types of functioning are found here.

The Mingan reserve is located in a remote area. Nearly all of its existing enterprises correspond to the community profile. They are more related to band council than in Mashteuiatsh with respect to ownership and administrators. Between Wendake and Mingan, the socio-economic data differ as much as the enterprise profiles.

Do collectively-owned enterprises satisfy the needs of more remote regions or are they extensions of native culture; more specifically, Montagnais culture? The entire question remains, although it seems a priori that both elements form part of the answer. This type of enterprise may in fact correspond to an integration of native values, with the notion of sharing expressed through the venture's collective implications (jobs, services, etc.).

But this notion of sharing is also present in the family enterprise, particularly when this type of enterprise—which is often the case—is perceived as a vehicle for promoting or passing on native culture.

This constant, fascinating reference to culture, expressed by native entrepreneurs themselves, and the perception of the enterprise as a cultural vehicle raise the problem of the psychological itinerary of the native entrepreneur. We are thereby faced with a question that has quickly become one of the most interesting, most decisive questions of our study.

CULTURAL ITINERARY OF THE NATIVE ENTREPRENEUR

These qualities and personality traits applied to entrepreneurs by the specialized literature, and found to varying degrees among owners and managers of native enterprises, do not surface in everyone nor under any conditions. Love of risk, for example, must not be understood as gambling, but as an ability and desire to bring out one's best in an uncertain activity, for which certain rules are understood. The assurance inherent in this ability is therefore in no way like throwing the dice; on the contrary, it is based on calculation and a minimal strategic power over the stakes.

An analogous quality, self-confidence, or the entrepreneur's boldness, has nothing to do with banging one's fist on the table; in its English acceptance (*internal locus of control*), it refers instead to faith in one's ability toinfluence fate.

We do not need to go through the characteristics presented above one by one to realize that they can only develop in certain conditions of personality or society; in fact, they require a minimum of assurance and cultural stability. In a manner of speaking, they indicate that the entrepreneur has "solved" his problems and identity crises, at least their destructive and agonizing aspects.

Naturally, there are currents in the literature presenting a different view, at least on the surface. A certain psychoanalytical approach to the study of entrepreneurs, for example, has attempted for several years to show entrepreneurs as compulsive, maladjusted or inhibited at certain stages of psychical development. Kets de Vries and, more recently, Professor Erwin Ringel of the University of Vienna have advanced these notions of the essentially reactive personality of the entrepreneur and have found in this personality the foundations of the need for independence, rejection of overly structured planning and a style of leadership characteristic of the first stages of the enterprise:

> Thus, due to the frustrations and perceived deprivations experienced in the early stages of life, a prominent pattern among entrepreneurs appears to be a sense of impulsiveness, persistent feelings of dissatisfaction, rejection, and powerlessness, forces which contribute to an impairment and depreciation of his sense of self-esteem and affect cognitive processes. The entrepreneur is a man under a great deal of stress, continuously badgered by his past, a past which is experienced and re-experienced in fantasies, daydreams and dreams. These dreams and fantasies often have a threatening content due to the recurrence of feelings of anxiety and guilt which mainly revolve around hostile wishes against parental figures, or, more generally, all individuals in a position of authority. Distrust and suspicion of everyone in a position of authority force the entrepreneur to search for non-structured situations where he can assert his control and independence.[5]

The underlying structure of the entrepreneur's personality described here thus appears to be, at least on the surface, a radical contradiction of the notions in the classical literature. The feeling of powerlessness replaces the confidence of being in control of one's destiny, the essentially reactive personality strives after a pro-active ideal and the search for autonomy and independence degenerate into fears and flights from structured situations and authorities.

Nevertheless, two comments are needed. On the one hand, the psychoanalytic approach does not fundamentally question the entrepreneur's personality traits presented in the classical approach initiated by McLelland, although in its own way it confirms the deficiencies we spoke of earlier. Instead, it claims to get to the bottom of things and discover the anguished personality of the entrepreneur behind this sublimation. By the same token, we must admit that the entrepreneur is the one who actually manages to "overcome" this profound anguish, whether through sublimation or compulsion. In the same circumstances, others would manifest various forms of psychoses, serious or trivial, or simply other forms of sublimation than those driving the entrepreneur.

Furthermore, especially in the case of native entrepreneurs, we saw just how strong their attachment is to their culture, their ethnic past and present, and their family. If the psychoanalytical reasoning still applies, then we will be forced to recognize a particularly successful type of sublimation.

Moreover, this image raises the more general question of the "knack for business" certain minorities have shown throughout world history. *A priori*, approaching the question through underlying personal structures seems less able to explain the phenomenon than a sociological procedure, for example: solidarity when faced with threats, mutual assistance and exclusion from public positions reserved for the majority are all factors that seem to go further in explaining the commercial success of Jewish, Armenian, Chinese, or other minorities.

Nevertheless, we must combine these approaches to clearly understand how individuals who must seek personal identity through the mirror of their minority situation should decide to go into business, while others succeed in different sectors and still others know only failure. By explaining the success of such minorities through factors such as withdrawal, exclusion, more or less forced positions in production sectors or ethnically based solidarities, we may easily forget that the contribution of such minorities goes beyond the business sector alone and defensive strategies. We are then faced with a very serious danger of overshadowing or overlooking the desire to overcome, and the openness of such minorities to cultural assimilations with the majority. History and reality constantly show that most often, the majorities themselves rely on strategies of rejection and withdrawal.

In Germany and all of central Europe, for example, the Jewish people were so successful at synthesizing their traditions with Germanic traditions that a new language was born, Yiddish, in many respects closer to German than some Germanic dialects or idioms. In addition to their commercial and industrial success, the Jews so strongly contributed to German culture that the *auto-da-fe* Nazis, had they brought about the "final solution", would in fact have destroyed vast sections of Germanic thought, in the field of arts and sciences, in literature, music, philosophy or education.

The success of some minorities, therefore, cannot be explained by withdrawal, neither in more general domains, nor that of the enterprise: it is unrealistic to view minority entrepreneurs as simply the result of a protective cocoon, because the enterprises also result from a gesture of conquest and openness. In this respect, the contribution of Professor Kurtness allows for better understanding the cultural and personal itinerary of the native entrepreneur.

The aim of Professor Kurtness was to measure the psychological factors of the paths of acculturation among the Montagnais. To his credit, he advanced the idea that multiple paths are open, freeing us from the unique perspectives of the old "traditional-modern" axis, based on the notions of *Gemeinschaft* and *Gesellschaft* so important to Weber. The image that best represents his approach is that of an individual at a crossroads who is faced with three paths or axes of cultural progress.

Naturally, the individual may commit himself to the traditional-modern axis which is most familiar to us. If he starts out in one direction, he will commit himself to pursuing his ethnic past and traditional values; he will immure himself in a minority society and reject anything that reminds him of the values of the dominant society. In the other direction, which is most common and the easiest route on this axis, he will attempt to join the majority society and melt into it, through a rejection of his own origins.

To quote professor Kurtness, this cultural axis is the "homogenization of world cultures". The Montagnais who choose this path mostly conform to Québécois behavioral models and promote assimilation; they move towards abandonment of their own cultural identity. This movement is characterized by a feeling of having to neglect, abandon, reject part of reality (tradition or modernity) to live fully according to the other aspect. It does not lead to synthesis, but to division and generates, in the individuals, erratic behaviour, stress and a feeling of rejection, as the whole of reality always tends to reassert itself.

Table 17
Axes of Acculturation Factors

1st Traditional-modern axis

- profile of individuals focused on Québécois society
- groups promoting assimilation
- option preferred by the younger people, who are the best educated and best equipped (18-30 years old)
- tend to identify themselves as Quebeckers
- indicators of stress and marginality; situated at the extremes allowed by the majority group

2nd Disintegration-integration axis

- rejection of majority society
- integration problems
- withdrawal into self, feeling of domination
- indicators of anxiety, marginality
- resistance to changes
- young people and oldest are at the centre of this "psychological cyclone"

3rd Cultural synergy axis

- groups and individuals removed from the majority society and their minority society
- synergetic synthesis between the two societies
- indicators of stability, negative stress
- option of integration
- relatively educated individuals, intermediate age group (30-40 years old)
- Identification both as Indian and Quebecker

Source: Kurtness, *op. cit.*

The second path at the crossroads of acculturation is disintegration-integration. Kurtness is speaking here of cultural discontinuity, since people who choose this axis are dissatisfied with both the dominant culture and the dominated culture. This is the path of systematic rejection and withdrawal into marginality, because one does not feel at home anywhere. Individuals find themselves in a situation of global refusal, which creates powerlessness and inactivity.

These first two paths, therefore, have various points in common. First of all, the feeling of having to reject something, and being necessarily rejected by others. In the first case, comfort is sometimes found through assimilation into a reference group, traditional or modern, but this requires openness on the part of this group. Openness is usually lacking, at least in the dominant society, which explains how Professor Kurtness measured, among individuals committed to one of these two paths, relatively high levels of stress, anxiety, marginality and instability.

The third path at the crossroads of acculturation is cultural synergy. Curiously, individuals who follow this path dissociate themselves from both the majority society and their minority society of origin. Neither recognizing themselves as Indians or Quebeckers, they may be both at the same time—which radically distinguishes them from those of the second path. These individuals are therefore capable of performing a "synergetic synthesis" between the two societies. They have a low level of stress and their marginality, though real, is accepted positively.

Although these two axes were created to measure the psychological factors of acculturation, along with indicators of stress and other units of measurement aimed at producing a diversified analysis of the data, it seems possible to grant them a certain extension and use them in this condensed form to position our entrepreneurs. Mashteuiatsh, as a social group, is faced with a specific set of problems. In Wendake and Mingan, the enterprise models differ, but the majority of entrepreneurs are situated on the cultural synergy axis; their statements clearly reveal a synthesis option: maintaining cultural identity and participating in Québécois society, which of course does not mean that no entrepreneurs are found on the traditional-modern axis. However, the disintegration-integration axis does not correspond to the entrepreneurial culture of the native people we met with. The expression is used here as in Jean-Marie Toulouse's[6] definition of the entrepreneur as having the capacity to innovate, create, realize, in other words, *a capacity for taking diverse elements in the environment and combining them to form a new reality.*

Native entrepreneurs, therefore, are primarily situated on the axis of cultural synergy, in that they have not closed the door on their Indian past but, at the same time, show an openness to the majority society. For example, a fundamental characteristic common to all three of the enterprise profiles we identified is the concern of entrepreneurs to integrate economic development with native traditions. Moreover, as a group, the majority of entrepreneurs we met with share the social characteristics of individuals on the synergetic axis, in other words, relatively well educated and of intermediate age. The young, educated people, who make up a group of community entrepreneurs (Mingan), also manifest the discourse and behaviour of this axis, contrary to many of their counterparts, which the study of professor Kurtness positions on the traditional-modern path, geared towards assimilation, stress and marginality.

This notion of cultural synergy may be seen as a positive reaction to the constraint of being an extension of an ethnic minority, living in a majority society. This is what the native entrepreneur reveals through his attitudes, abilities, discourse and behaviour. The aboriginal road to business therefore seems to follow the flow of cultural synergies.

The data in this exploratory study do not allow us to go any further and specify whether it is actually a proactive strategy or a reaction to deep personal tensions that results in a successful sublimation of internal impulses. Nevertheless, the following chapter, which positions the native entrepreneur on the management path, should be of some help in determining just how desirable and sought after are organized and planned activities, structures and success itself.

NOTES

[1] Kurtness, *op. cit.*

[2] R. Bailly, *Dictionnaire des synonymes de la langue française [Dictionary of French Synonyms]*, Paris, Larousse, 1947.

[3] Toulouse, *op. cit.*

[4] Y. Gasse and coll., "L'entrepreneurship, une stratégie de recherche et d'intervention pour le développement [Entrepreneurship, a Research and Intervention Strategy for Development]," special paper no 120, Research Laboratory, Management Faculty, Quebec City, Laval University, 1984.

[5] M.F.R. Kets de Vries, *Organizational Paradoxes, Clinical Approaches to Management*, London and New York, Tavistock Publications, 1980, p. 124. Professor Ringel claims to have empirically verified this theory with 800 European entrepreneurs, in a study still under press.

[6] Toulouse, *op. cit.*

CHAPTER VII

THE ABORIGINAL ROAD TO MANAGEMENT

A native person's decision to start up an enterprise is based on various motives. Nevertheless, it appears that two elements can be generalized for nearly all of the enterprises we studied. First of all, attachment to the environment, resulting from a true osmosis between the enterprise and the source community. Secondly, development of the decision itself stems from an iterative process, in which the spontaneity of the actors and circumstantial factors play a determining role.

Consequently, enterprises are mostly born from concrete experience, and very rarely from the drawing board. We are far removed from the didactic models of initiation to entrepreneurship. Well-defined goals, rigorous business plans and detailed accounting projections are replaced by the family project, the ancestral technique and the need to make ends meet.

The previous chapter showed that these are pronounced characteristics of the birth of native enterprises, in terms of both start-up motives and operating profiles. However, we are left with the task of specifying how this orientation is maintained and expressed in day-to-day operations, production imperatives, and management styles. Should these loosely structured approaches be regarded as a strength or, on the contrary, as a factor contributing to the failure of native enterprises? Answering these questions means studying the man or woman behind the native enterprise, no longer simply as entrepreneurs but in particular as owner-managers. This is the aim of the present chapter.

First, we will present a transverse analysis of how the enterprises studied approach the various organizational functions: production, finance, personnel, marketing and relations with the environment (supplier, market, subsidies). The resulting management models will then allow us to study the the factors of success and failure for native enterprises: this will be approached from various complementary angles, taking into account the conclusions of previous chapters, statements in the specialized literature on management and the perceptions of native entrepreneurs themselves in this regard. The chapter will end by analyzing the management styles of native entrepreneurs, in light of theoretical writings on how similar types of enterprises develop, whether family or community.

The term "owner-manager" needs some clarifications to reflect the actual situation of native enterprises: in basically equal proportions, the native entrepreneur is either a man, woman, or couple (in other words, the couple makes up the production unit and main decision-making unit), not to mention situations where the spouse does not participate in business dealings but does salaried work for the enterprise. Consequently, this characteristic is not only related to the ownership of enterprises, but also, and perhaps especially, to decision-making processes.

As a rule, even when labour is divided in the enterprise, the entrepreneur makes all the important decisions; however, if the spouse is a partner, the entrepreneur will always ask his/her advice first; if he must ask for advice, the entrepreneur will first consult his spouse, then another family member who is also in business and, as a last resort, an external consultant, for example, an economic development officer from the Department of Indian and Northern Affairs. Another common decision-making model leaves both partners to make decisions in their particular fields of expertise, for example, the husband in production, the wife in secondary production and administration; or the wife in production and the husband in the supplying of raw materials.

Although such conditions are frequently found among non-natives, they are developing here into a general rule and must be emphasized, to clarify the term "owner-manager".[1]

MANAGERIAL PRACTICES AND MANAGEMENT FUNCTIONS

Production Function

The native entrepreneur knows his product thoroughly: he designs it, manufactures it, takes it apart, rebuilds it, and adjusts the manufacturing process himself until the product meets his standards, in terms of desired product features (properties) and production costs. This is the production function's main characteristic and is demonstrated very clearly for all family and SME profile enterprises: we see it as much in enterprises where production is organized on a semi-industrial basis as in handicrafts enterprises.

Owner-managers establish production costs themselves, using methods developed from their experience with the enterprise, or using technical assistance from employees of the Department of Indian and Northern Affairs or organizations specializing in the sector: Société de développement des coopératives, retailers associations, assistance to enterprises from credit unions, etc.

Most family and SME type enterprises only produce on order and have "rigid" inventory control systems: whether very complex (on the verge of being computerized) or unsophisticated, owner-managers know their inventory systems thoroughly; surpluses generally seem to result from unpredictable market fluctuations (general trend of the industry, for example, in the field of snowshoes).

They all receive supplier discounts and most have done business with the same suppliers since the enterprise was started; in only several cases were supply problems mentioned; suppliers hesitate to accept large orders since Indians are not subject to seizures. For retailers, this problem may be resolved by joining an association.

In nearly all cases, especially with family or SME type enterprises, the facilities, sites and buildings are the personal property of the manager. It is equally remarkable to see that very few native enterprises are under-equipped, except in the case of reorientations, or certain handicraft enterprises; instead, the problem is related to space: sometimes too big, often too small (enterprise has grown too quickly).

In terms of the production process, the handicrafts sector is unique in its "community" sub-contracting, if the term may be applied: frequently, these entrepreneurs offer sporadic work to other craftsmen in the community who perform the activity at home, as an extra source of income. The fact that this practice is common to all of the sites confirms, in varying degrees, the vitality of certain traditional activities.

Similarly, entrepreneurs working in this sector unhappily resolve themselves to producing more "commercial" objects to ensure a certain stability in their incomes; in fact, truly traditional pieces do not always have "Indian" connotations for the client . . . ("If there aren't any feathers, it isn't Indian!")

The handicrafts sector is seemingly the most vulnerable, due to the supplying of raw materials; there are few suppliers, and producers have conflicting opinions about new techniques for tanning hides: traditional techniques do not allow the chemical treatment of hides, which some believe increases durability, while other craftsmen believe that chemically treated leather loses it properties. Many craftsmen obtain their own supplies in the forest.

Several prosperous enterprises, among all those we visited, had no intention of increasing production, even though they were faced with a situation of demand exceeding supply. For more community-oriented enterprises, the major concern is not meeting demand but creating jobs on the reserve, and the effort put into manufacturing a product or providing a service. The activity itself is important, and satisfaction for the individuals performing it; this leads to a fundamentally different attitude towards demand: the enterprise does not exist to meet the demand; it creates a demand and then attempts to meet it.

Personnel Function

What characterizes the labour force in family or SME type native enterprises is seniority: most employees have been there since the enterprise started up and this trend holds true in all sectors. The owner-manager himself hires his employees and usually recruits them from his network of acquaintances, family members, or persons offering their services to the enterprise. Very seldom will owner-managers have recourse to manpower centres. The main criteria for hiring are loyalty, competence and skills, dedication, and finally, the employee's desire to make his talents work for the enterprise.

The owner-manager himself has many duties; he oversees everything: organization and control of production, purchasing, general administration, auditing (accounting, bookkeeping), customer service. It is not uncommon for entrepreneurs to put in 60-to-70-hour work weeks, but they still find precious time for their families and . . . for hunting! In this respect, we have already noted that spouses complement each other and share owner-manager roles in most enterprises.

In the SME-type enterprise, a model which is still developing, the general manager consults his accountant for financial and management decisions; in only one case did we find a decision-making process that involved senior management, the management team and spontaneous consultations with employees.

Many entrepreneurs also spoke of special difficulties arising from family members working in the enterprise, a situation that increases tension when disagreements arise (redoing poorly executed work, managing the enterprise when the parent works for the child, etc.).

With the exception of community enterprises, entrepreneurs say they have no priority of hiring Indians, citing negative experiences, despite the fact that hiring an Indian represents "less work" for the employer (tax exemption, for example).

In the SME type in particular, an owner-manager will recruit his staff based on his own personal values and the specific needs of the enterprise; he ensures training and supervision of new employees himself, a step for which he may rely on government employment grants. These enterprises do not experience major problems in training their staff, except perhaps when there is a complete re-orientation of activities. Aside from these exceptional circumstances, workers continue working for the enterprise for many years, often until they retire. A minority of enterprises feel they have an excessively high turnover rate, due to the seasonal nature of their activities; these enterprises contemplate re-organizing production on an annual basis and using the "slow season" for training.

In terms of compensation, salaries are comparable to averages for the sector, although the Minimum Wage Act does not apply to reserves; depending on the type of activity or the sector, compensation is established by the entrepreneur as an hourly rate, by the piece, or some combination of these two modes of payment, according to the entrepreneur's experience of the various operations involved in the production process. Having often been a salaried worker himself off the reserve for many years, he has a good knowledge of wage equivalence for Indian employees, whose income earned on the reserve is not taxable.

For enterprises similar to the SME model, experience shows that managers need to be given the possibility of advancement, in other words, if the enterprise allows for it, a profit sharing system must be established, with promotions and remuneration in keeping with employee aspirations.

The community enterprise is unique in its priority goal of creating jobs on the reserve: consequently, it encounters specific problems, such as lack of motivation for work and absenteeism.

In some cases, there may be conflict in the enterprise between the need for maintaining production at competitive prices and the need to provide work for a founding member, who will tend to decline the offer because he can rely on unemployment insurance benefits or is in a position to demand compensation which exceeds market levels. The community type enterprise also must deal with the problem of young adults already showing a strong dependence on the culture of "artificial economy"—paid training courses, summer projects of band council, etc.—accustomed to receiving a salary with little regard for productivity or true economic consequences.

The community enterprise is often struggling with one or more non-productive workers or, even more frequently, with employees who go through regular periods of non-productivity; still, community entrepreneurs maintain their belief that a viable economic base can be developed and say they have adapted to the pace of their staff through incentives. In contrast to disciplinary systems (ranging from warnings to firing), which often prove ineffective and in no way resolve the problem, they have instituted a "permissive" system, which allocates several days of absence with no penalty, and compensation is paid in the form of additional salary for unused "absentee credits". Moreover, a weekly bonus is allotted for reaching a production quota set for each worker.

In outlying or remote areas, considerable efforts are also "swallowed up" in "training"; though many entrepreneurs vigorously denounce governmental policy in this regard, a formula of extended training periods from one family enterprise to another is considered very positive.

Finance Function

The finance function is never easy to analyze in the context of a family oriented small- or medium-sized business. Financial statements do not always put into sufficient perspective the enterprise's actual income and expenses. In some cases, these figures are simply non-existent. Moreover, owner-managers feel uncomfortable discussing such matters. These difficulties are further reinforced in native enterprises. The institutional context seems largely responsible for this situation.

Many native entrepreneurs do not consider financial statements as a tool for planning and control, but as a kind of homework for White entrepreneurs who are required to "fill out" income tax forms; for others, it is simply a burden they must bear to obtain funds from the Department. In short, financial statements do not represent a management tool, but an extension of government red tape.

Often, financial statements are simply not available. In other cases, they are structured and set up more in terms of the desired government program than as a reflection of the enterprise's actual situation. Moreover, when we asked entrepreneurs for financial information, it brought up the question so many of them posed at the beginning of our interviews: "Are you sure this information isn't for the Department?" However, through the site visits, a climate of confidence emerged, sufficient at least for clarifying the financial aspect of native enterprises.

Native enterprises often start up using a loan or some form of governmental assistance, but also by using family savings, pensions funds accumulated through salaries, etc. Initially, it is quite common for the husband or wife to maintain another salaried job, to make ends meet. From the time the enterprise starts up, we see then that the family budget and the budget of the enterprise are intertwined. Financial management thereby reflects the characteristic osmosis between the enterprise and its community of reference—to the extent that even the community enterprise, with much more structured management, manifests this culture where solidarity and sharing influence financial management.

When the enterprise generates sufficient income, the additional jobs are generally abandoned and the entire family or community involved works for the enterprise and depends on it for a living. Although financial management still avoids classical systems, it is no less rigorous. The main concern focuses on managing inventory. Nearly all entrepreneurs recognize this as a decisive variable for the financial well-being of the enterprise: a balance must be struck between maintaining sufficient stock to meet market needs and avoiding an excessive commitment of money in inventory.

On this point, entrepreneurs have a thorough knowledge of their inventory management: even if the data are recorded by a family member, the entrepreneurs can always discuss them from memory very precisely, without referring to their books and without committing any noticeable errors.

Management of liquid assets is another important point. All entrepreneurs complain of how difficult it is to obtain a line of credit, even if we observed that most were able to secure one. The problem seems to result as much from the entrepreneurs themselves as from the creditors, since those with a line of credit hesitate to use it. Here again, there is a fear of auditing and questioning. A significant number of entrepreneurs do not do business with any banking institution, at least not for their enterprise. All goods and services are paid for with cash, for purchases as well as sales.

All the same, we must note that external interventions (grants, loans, line of credit, etc.) influence an increasing number of enterprises. Financial statements are therefore established sporadically and circumstantially, or on a regular basis, as the case may be. The advice of experts is heeded more. However, it is not always the healthiest or best managed enterprises that appeal to them. With the exception of several dynamic enterprises assimilated into the SME profile in Wendake and Mashteuiatsh, it seems that unstable organizations are the best provided for in this respect.

Consequently, financial management of native enterprise is relatively stringent, though very unsophisticated. This resistance to structuring could arise from two sources: on the one hand, the red tape and dependence associated with it from the time the enterprise starts up and, on the other hand, the threatening character of classical procedures with respect to the osmotic system of enterprise-source community. Establishing strict accounting between the enterprise and its actual members is not consistent with the environment's culture, nor with the common project all members of the community of reference are working towards.

Marketing Function

In both handicrafts manufacturing and semi-industrial manufacturing, products maintain a strong "Indian connotation", which is intrinsic or "added", in addition to being subjected to the hazards of seasonal activities.

The native entrepreneur is geared more towards his product than his market; his trademark is: "low price, quality product, personalized service". He relies heavily on product quality to attract a new clientele; he "nurses" and develops his range of products with a great deal of attention. In addition, he closely monitors his competitors; their prices have a major influence on his own.

Price is established on the basis of production costs (raw materials, hours of work), to which the entrepreneur adds a profit margin and then reconsiders the whole thing in relation to his competitors' prices. He holds and maintains an advantage in establishing his prices with respect to the prices of others: with no financial costs, with no income tax or other taxes, he can attract a clientele by offering prices lower than the market price. In a general way, therefore, he has a clear and distinct pricing policy. He has another advantage on the local market, mentioned often by the entrepreneurs as a factor of success: the freedom to stay open longer, in the evening, during the week and on weekends, due to the non-applicability of provincial laws and regulations on reserves.

Though all enterprises do at least some advertising and seek to make themselves visible (signs, business cards, advertisements in the yellow pages, sales, etc.), marketing is still in the rudimentary stage: the native entrepreneur looks after his existing clientele quite systematically, but he relies on his flair and intuition to evaluate the potential market. In the type of enterprise most like the SME model, two trends are evident: either the entrepreneur is aware of the need to concentrate his efforts on this function, strategic for the enterprise at this stage of its development, or he simply does not intend to increase his clientele, unless a son or daughter takes over the enterprise; in which case, he will be ready to invest again.

In projects aimed at diversification or penetrating new markets, the native entrepreneur conceives of a target market, but does not know how to reach it, nor how this potential clientele will react to his product; in this regard, his idea is at times too "fixed" and he does not always remain open. Finally, native entrepreneurs study their competitors and products intensely, but their tools for prospecting markets are rudimentary.

Though the market share held by the enterprise is practically unknown to the native entrepreneur, he does know his existing clientele very well, along with their expectations and needs. Also, his clients are faithful to him, and play a major role in bringing other potential clients; the entrepreneur rewards him well for it by periodically visiting his clients personally.

In all of the enterprises, however, we noticed a polarization of the clientele: products of strong Indian connotation lead almost automatically to an off-reserve clientele, whereas businesses working in the field of providing "essential services" to the population (restaurants, food, transportation, maintenance) must survive almost exclusively with a local clientele; only transformation enterprises (wood, furniture industries, etc.) occupy a middle ground and can reach a more diversified clientele.

On the whole, markets of the native enterprise may include the reserve, the region, Quebec, Ontario and even exports to the United States and Europe. Native entrepreneurs rely heavily on a travelling sales force: "having one or more commission salespeople" seems to be a winning strategy for many, whenever it can be used. Entrepreneurs also mention that competition is very active on the markets, especially in sectors involving products of Indian connotation.

Our interviews allow for listing the main difficulties by sector of activity. For the handicrafts enterprise, the difficulties are in marketing (single "winning" strategy: combining retailing, wholesaling and travelling salespeople). In service enterprises, the main concern is location, with a significant limiting factor in the restaurant and food sectors: the impossibility of obtaining a liquor license deprives these enterprises of a major source of income. For manufacturing enterprises, market fluctuations for products of strong Indian connotation (seasonal and recreational activities: snowshoes, canoes; influence of environmental movements) and expansion requirements are especially consequential. In retail businesses, the enterprise is vulnerable in terms of the health and dynamism of the owner-manager, who must perform all the different functions.

Relationship with the Environment

The vast majority of enterprises we visited receive governmental assistance—technical or financial—that is offered to native enterprises not only in the start-up phase but during other important phases as well.

According to the entrepreneurs we met with, tax exemptions and the Department's assistance are advantages, whereas the legislation for protecting Indian property is an obstacle to starting up an enterprise and causes significant restrictions in obtaining credit.

As we saw in Chapter I, the institutional framework is both an incentive and a threat; for example, loans guaranteed by the Department leave enterprises subject to administrative delays in renewing lines of credit (some mention 15 months) or impose a financing structure on them whereby their debt exceeds their ability to repay: in this way, the enterprise risks being "smothered" by its loans. Though the Department seems more aware now of the need for stricter allocation criteria, some entrepreneurs remain bitter.

Whereas a small number of enterprises have shrugged off a refusal, those not receiving financial assistance (seed money, fixed assets, purchasing, construction, working capital, line of credit) have chosen not to, following a bad experience with the Department: bankruptcy, conflicts or misunderstandings over repayment of interest, excessive requirements, etc., are the reasons most often cited.

Three comments frequently recurred during the interviews. Nearly all the entrepreneurs we met with spoke of the pressure that must be applied on Departmental employees responsible for their files, and the Department's tendency to subsidize enterprises in identical sectors of activity—the "model" hypothesis: when an enterprise starts to prosper, the Department finances another enterprise of the same type, either in the same economic region, or on the same reserve. Finally, an entrepreneur who had already industrialized too quickly stressed the importance of having "injections of capital" coincide with increased administrative abilities. In fact, an entrepreneur who feels comfortable with a certain sales figure may find himself overextended if the business he manages grows too quickly.

Three factors were mentioned concerning the relationship with the source community. First, the entrepreneurs believe that the government's policy has promoted the development of an "artificial economy" on the reserve, such as courses where students are paid to learn how to tan leather or produce handicrafts products. People grow accustomed to receiving a weekly salary and then demand it afterwards. However, if the entrepreneur pays out this kind of salary, nothing guarantees that he will receive "equal work" in return. On the other hand, if deadlines and contracts were respected, the entrepreneur could double the employee's pay. Whatever the case may be, this type of project is extremely controversial, and the younger generation is paying for it.

Another characteristic of the relationship between the enterprise and the source community is that the traditional value of sharing is still very prevalent; conspicuous materialism is badly perceived and turns the clientele towards other businesses. This attitude is particularly harmful to enterprises only targeting a local market.

However, we also observed that use of the cooperative formula is not self-evident; it is often adopted much more for obtaining grants (diversity of financing sources and technical assistance) than out of respect for an ideology deeply rooted in the community. This attitude even exists among influential leaders of the community who seem to be strong adherents of the cooperative doctrine. Some entrepreneurs also complain that the band council lacks a clear policy concerning the development of enterprises.

FACTORS OF SUCCESS AND FAILURE

Theoretical and Ideological Perspectives

With very diversified characteristics depending on functions and sites, the management of native enterprises uses methods and approaches that are generalizable and relatively precise. Production is obviously carried out in terms of a love of the product and the ancestral techniques we have already discussed. This characteristic extends beyond the handicrafts sector, reflected elsewhere as pride in work well done and technical knowledge. However, sectors or enterprises not reflecting this quality are detached or lax with respect to this function.

On another level, personnel policy is strongly linked to family and community imperatives, with a propensity for "on the job" training. In terms of finance, enterprises make extensive use of various forms of subsidies, although entrepreneurs are proud when they succeed at dispensing with this form of assistance, which they consider a synonym for interference and red tape. The financial structure of enterprises is difficult to describe, due to the fact that many lack financial statements, or due to the form of the statements and the circumstances under which they were established (grant applications) when they do exist. Our observations and records show an entire range of financial situations, ranging from more or less accepted instability to remarkable prosperity. Similarly, strictly at the management level, some enterprises seem to show almost no regard for the management function, although most native entrepreneurs know where they are headed, an observation that holds true for enterprises not using classical accounting methods. However, monetary perspectives are limited, and bookkeeping tends to replace financial planning; an enterprise's budget is often nothing more than an extension of the family budget or the community job market.

In marketing, native entrepreneurs suffer from the celebrated producer's "bias". They are much more interested in their product than in prospecting and evaluating markets. Strategic marketing is apparently a concern too far removed from the osmotic enterprise-source community project. Consequently, institutions, development officers, external consultants or cooperatives often assume responsibility for this function. Though this philosophy holds true for developing new markets, there is a real concern, on the other hand, for commercial resources: once entrepreneurs have secured the market share they need to survive, customer relations, sales conditions and technology are carefully maintained. In short, although they may voluntarily restrict growth, they certainly do not take for granted the clientele they acquire.

Relations with the environment are also manifested in a devotion to the initial project: when the basic relationship with the community of reference (family or nation) is ensured, the enterprise attempts to maintain its independence and autonomy from other environmental factors. Incentives and threats are thereby perceived through the eyes of the source community, and cohesion and strengthening develop with respect to these other factors. Superstructures and institutions are consequently viewed with a certain distrust and their intervention is almost seen as a constraint; whereas backers think they are giving opportunities to entrepreneurs, the entrepreneurs see interference in financial control, and undue influence on the enterprise's goals and its size. In fact, this type of intervention is perceived as being more than a simple desire to monitor expenditures: very often, native entrepreneurs are forced to adopt more modern, more rational management and production methods, in order for the enterprise to progress. Behind the need for normal financial control, therefore, lies the "big is better" ideology of those promoting growth and administrative rationalization.

These remarks summarize the characteristics of native management discussed in detail above. It appears that various specific elements are adapted to the size of the enterprise, the training of entrepreneurs and above all, the entrepreneurial horizon itself. In other words, this management style seems adapted to what the native enterprise actually is; in this light, the native entrepreneur is also a good manager.

However, are these characteristics just as adapted to doing business in this context? Do they represent strengths or weaknesses in terms of the economic success of native enterprises?

To clarify this question, we turn to the model of Churchill and Lewis,[2] now a classic of the specialized literature on the development of small- and medium-sized enterprises. The principle of this model is based on the use of a biological metaphor for describing the enterprise's development, which allows the authors to distinguish certain stages of growth and to list the crises and typical solutions for each of them. The developmental stages are: birth, maintenance, success, expansion and finally, optimal use of resources. We will not go any further in defining the specific steps and their accompanying crises and solutions, as the reader may consult this classic of the specialized literature. However, three comments must be made for us to clearly understand the usefulness of this analytical model in interpreting our data.

First, we must avoid the frequent excesses of the followers of Churchill and Lewis: these stages of development in no way constitute a linear and necessary progression for the enterprise. On the contrary, the authors expressly avoid the idea that every enterprise must progress from stage 1 to stage 5. Their goal instead is to show the difference between the nature of the problems and the solutions specific to each stage.

Secondly, we must understand that stage 3, success, includes two very distinct alternatives in terms of the entrepreneur's concerns. The first is called "success-expansion" and, if properly carried out, it should allow for further growth and achieving the other stages. The second is considered a "success-disengagement" and it results when the entrepreneur expresses a desire to start up another business, *to exercise a political function* or simply *to devote his time to certain distractions or centres of interest outside of society, while maintaining society's status quo.*[3] Here again, the authors in no way condemn this second attitude and guard against recommending the first to anyone in all circumstances.

In other words, for these authors, the enterprises choosing to remain at stage 1 or 2, or opting for disengagement in success, must in no way be thought of as "stagnant" organizations, lacking in dynamism or rejecting opportunities. These are enterprises that have their specific problems and realizations, and by using certain factors to strike a balance, they represent an important economic and social contribution to the community.

The third aspect of this model which may be important in evaluating the management of native enterprises as we observed it, is identifying key factors of success or failure which affect management of the enterprise and *whose effect depends on the stage of development.*[4] The authors then define eight determining factors for the success or failure of enterprises, of which four are related to the organization and four to the entrepreneur.

To be successful as an organization, the enterprise must have adequate financial resources, well-trained human resources, adequate systems of information and control and, finally, commercial resources: customers, suppliers, market share.

The following factors of success or failure depend on the entrepreneur himself: compatibility between his personal goals and those of the enterprise, personal competence (marketing, production, etc.), ability to delegate and supervise, ability to anticipate, to "interpret" threats and opportunities.

In this light, the situation of most of the enterprises we visited will seem very unstable. In fact, important elements among these eight factors of success or failure seem to be lacking, at least partially, in the majority of native enterprises.

Financial resources are not easily accessible, especially during the start-up phase and the first years of existence. Human resources only appear to be adequately trained for the first stages of the enterprise's development. Information and control systems are incomplete and permeable, and commercial resources are lacking, to the extent that development of this function is neglected or replaced by collective superstructures.

On the other hand, we observed well-defined goals and entrepreneurial horizons with nearly all of our entrepreneurs. Their competence is limited, but sufficient, and adapted to the needs of the enterprise in terms of marketing, distribution, and innovation. As for production, they appear to have a clear advantage because of the originality of what they produce. Furthermore, their ability to delegate and supervise is difficult to discern in a context where family or source community play such a determining role in the enterprise. This osmosis also affects the entrepreneur's ability to anticipate, given the external (institutional) pressures, which too often steer him towards rationality and growth, at a rate which neither he, nor his community, nor his enterprise, *a fortiori*, will be able to keep up with.

Consequently, the situation appears to be very different depending on one's perspective. We need only suggest the hypothesis of an ideology focusing on growth and rationalization for the situation to look brighter. It is this openness in Churchill and Lewis's model that seems decisive for our proposal.

The authors admit that different factors vary in significance depending on the enterprise's stage of development.[5] For given developmental stages, they define the factors that must be considered essential for success, factors that are necessary but not decisive, and elements of little importance.

They conclude that, for the first three stages of development (birth, maintenance and success), the truly strategic factors are limited to financing, the manager's capacity to act and personal goals. Other elements, related more to structured management, such as budget, commercial development and control,[6] only become decisive for later stages of the enterprise's growth.

It is easy to see that almost all native enterprises are in the first three stages of development; moreover, their third stage is being expressed as success-disengagement. Very few, if any, are even concerned with achieving the subsequent stages of "expansion" and "optimal use of resources", while the vast majority explicitly reject these notions.

If we admit that the lack of space on reserves and the isolation of markets limit the growth possibilities for enterprises, we must recognize that the determining factors of success for this type of organization already exist in the enterprises we studied. We may go even further and note that the limited size of the enterprises is due to more than these environmental constraints.

Quite the contrary, respondents always insisted on the relation between their work and their life, between their enterprise and their family or source community. Many respond to ideas of growth by choosing to maintain concrete ties between enterprise and community, and preserving "time to live". This is what we described earlier as the entrepreneurship specific to the native environment.

Considering all of these elements, the situation of aboriginal management is clearly more favourable; the qualities shown by native entrepreneurs correspond to the most important success factors in the model of Churchill and Lewis: close ties between personal goals and the goals of the enterprise; size of the enterprise is adapted to concretely available financial resources; the entrepreneur's ability to anticipate and "interpret" events. We could add that our enterprises also have an undeniable strength in terms of production and love of the product, and that their management mode, while not classical, has significant elements of rigour in its design, execution and control.

Views of the Entrepreneurs

The statements of native entrepreneurs tend to confirm this more favourable diagnosis. During our interviews and during the subsequent analysis, we attempted to identify judgments made by entrepreneurs about the factors of success or failure: what lessons do native entrepreneurs draw from their own experience? This assessment is even more interesting and relevant because in nearly every single case, our respondents had been through major crises, had experienced or witnessed bankruptcies or businesses starting over and had established references and guides for future management.

The native entrepreneur believes that one of the primary keys to success is the individual or collective owner's personal commitment and the support and encouragement of family or community of reference. "Don't count the hours you work" is an apt expression for the start-up phase of the enterprise. Also at this stage, the entrepreneur's competence (and the competence of those around him) and his ability to perform various duties or functions himself is thought to be decisive. A third key, confirming how wrong it is to confuse the formalization of management processes with management itself, is the exercise of sound management practices: budget, planning, goals, control, etc.

Some entrepreneurs also cite the fiscal benefits of native status as a success factor; moreover, they insist on the need for not depending on outside help and for planning the size of the enterprise to lead most quickly to sustainable self-financing.

Commercial relations are cited as another determining factor of success: key elements here are delivery deadlines, customer service, competitive prices and maintaining the quality of products and services.

Among major causes of failure, the first one mentioned—again contradicting proponents of formalization—is poor management, attributable to a lack of knowledge or lack of concern: "living beyond one's means" is an expression which summarizes this judgement on the origins of failure. The low levels of schooling and education, though progress has been made in this area, still seem to hinder the development of enterprises and weaken the entire community. Financing is cited as a third cause of failure, either because it is not available or for the interference it involves when it comes from government coffers.

Another frequently cited cause of failure is attempting to expand too quickly, often inspired by external consultants, based again on the ideology of growth and rationalizing operations. However, the inability to diversify production or face competition is apparently another cause of failure. Finally, community type enterprises face a significant trap related to productivity and the motivation of its members and employees.

We can see that this analysis conforms quite closely to the parameters of Churchill and Lewis's theoretical model for enterprises at stages 1 and 2, as well as those having reached the "success-disengagement" stage. For example, these authors believe that financing is especially important at level 1 (also at the "success-expansion" level, of little interest to us here), just as it is for our entrepreneurs. This similarity of approach also applies to the manager's competence and commitment during the first three stages. One of the most remarkable similarities is reflected in another shared conclusion, this time on the causes of failure, and it concerns attempts at expanding too quickly, which tend to distance the enterprise from the real concerns of the owner and his community of reference. Finally, the diagnosis is also similar in terms of the importance of commercial resources.

Assessment of Factors

Consequently, assessment of the actual factors of success and failure for native enterprises requires caution and subtlety. Though some of Wendake's enterprises in particular have reached an ideological and managerial position whereby they might consider expansion and pursue administrative rationalization and more classical marketing strategies, so often suggested by intervening parties and external consultants, the vast majority of native entrepreneurs find themselves in a completely different situation. Instead, their situation corresponds to one of the first three stages described by Churchill and Lewis; in any case, our entrepreneurs feel comfortable where they are and they have effectiveness criteria that correspond to the stages of their enterprise's development.

Using this background, we made a clear assessment of the main factors of success or failure for native enterprises, based on our observations and the transverse analysis of managerial functions presented earlier. In this regard, we will make little distinction between factors of success and failure, as certain elements or parameters may lead to either condition, depending on whether they are taken into account or overlooked. However, we will identify collective factors and more personal factors related to entrepreneurs themselves.

Among the collective factors, we noted institutional elements, elements specific to the native situation and finally, local characteristics, which vary according to each community's political and social circumstances.

Institutional elements are obviously decisive for community enterprises. Though some individual entrepreneurs succeed in spite of the constraints of native status, most are hindered by this situation. The burden (at least psychological) of red tape and auditing appears so great that some individuals forgo the assistance they are entitled to, because of credit and financing conditions that governments impose on Indians. Others have learned to deal with these problems, which they still regard as humiliating, and have learned to profit from the system, treating civil servants and politicians with a tactful combination of diplomacy and threats. The grant distribution system is often ineffective, not always meeting its goals at the appropriate time, or presenting the native person with an opportunity to exploit the responsible civil servant. Moreover, we observed that, in cases of financial difficulty, the budget allocated for economic development is almost always used to assist other sectors, a conclusion made in previous studies.

The financial and administrative support allocated for assisting native entrepreneurs is also impaired by the search for a miracle solution. Based on our observations, it seems that once an enterprise succeeds, institutional authorities set off a process aimed at either accelerating growth of the enterprise—with the problematic effects discussed in the previous section—or extending the model by inciting other groups to start up enterprises of the same type: too often, markets or resources are lacking, to everyone's disadvantage.

Our study certainly has its limits and it was not our intention to give a detailed analysis of subsidies and programs, a subject already covered by a House of Commons committee and other studies. Nevertheless, our observations show that, while programs may be generous, the problems created through their targeting and administration are serious enough that they do not compensate for the painful situation imposed on native people, especially entrepreneurs, by the Canadian institutional context. This remark also applies to tax exemptions, which may be abused, but generally do not compensate for the negative aspects of the institutional context. As we can see, this context involves both negative and positive aspects, which certainly influence the start-up and growth of enterprises, and may also lead to failure or success, depending on the case.

Aside from fiscal, financial and administrative factors, the institutional context creates additional ambiguities, threats or opportunities for enterprises and communities: limited space on reserves, territorial disputes, isolation, etc. However, these elements correspond to our second group of collective factors of success and failure, as they involve the historical situation of native people.

Native entrepreneurs have an advantage when they sell or manufacture distinctly Indian products, but lose this advantage when they enter other sectors and quickly discover the inconveniences specific to their minority situation, their ethnic character and their culture: they suffer in terms of supplies, manpower, customers and markets.

Although success may be encouraged within the communities themselves, it sometimes creates very concrete jealousies and integration problems. This aspect definitely influences the size of enterprises and entrepreneurs' ambitions. Overly conspicuous affluence, prosperity and the size of the enterprise force native entrepreneurs into political gestures in their communities to dispel doubts and questioning. There is both an objective and subjective limit to the size of enterprises, which support programs must take into account. Two probable obstacles, not always perceived by adherents of growth for successful native enterprises, are the confusion between entrepreneurial activity, enterprise management and political activity, on the one hand, and exile from the reserve for the entrepreneur and the enterprise on the other: inevitably, the community reacts to this growth and the power of "happy" entrepreneurs and, at best, holds them responsible for small neighbouring businesses that go under.

This involves a profound cultural element, similar to the notion of sharing discussed in the previous chapter. Though native entrepreneurs appear to be positioned on the axis of cultural synergies, their personal syntheses can only take place, in effect, by respecting certain basic values specific to their communities of origin. Attempts at "accelerating history" by forcing growth and adopting more classical procedures may prove detrimental and lead to failure.

The third category of collective factors of success or failure concerns each community's specific situation at the geographic, linguistic, social and educational levels. Similarly, the band council's role appeared to be decisive for the emergence of certain types of enterprises and the stagnation of other organizational forms. Without relinquishing their managerial role—essential in remote areas—perhaps band councils should also show encouragement and tolerance towards initiatives reasonably developing outside the official options, while continuing to support these official options.

In conclusion, we will return to education and entrepreneurial training, sectors that appear significant enough to merit more general consideration. However, we must cite their influence as individual or personal factors of success or failure, which involve the entrepreneur's training, the support offered him and his ability to interpret events.

The entrepreneur's training and the training of his immediate partners indeed appeared to be a determining factor of success or failure. This training includes a strong element of apprenticeship in community-type enterprises. In other types of organizations, a rather minimal level of schooling seems necessary, combined with great competence in manufacturing, production and general management of the enterprise.

The owner-manager must have developed a strong and deeply rooted awareness of his own goals and the goals of his source community, in addition to the compatibility of such goals with those of the enterprise. The ability to interpret allows entrepreneurs to see institutional and local opportunities and threats, and maintain control of their enterprises. Surrounded by so many guardians, these people who crave independence and autonomy, and have strong community attachments, cannot assume the management situation imposed on native people without this awareness of their own entrepreneurial horizons. Through this awareness, entrepreneurs may rely on a more determining factor for the success of the enterprise than official programs: family and community support.

A final element could prove to be decisive for the success and failure of native enterprises in coming years: the training of successors. Currently, this factor represents a distinct advantage for native enterprises over White family enterprises; the osmosis between the organization and the native community provides significant opportunities for apprenticeship and succession of power, two essential elements for survival of the family enterprise.[7] Perhaps the communities should concentrate more on this strength, providing young entrepreneurs with very valid apprenticeship opportunities. Moreover, when a family leaves a sector where it was successful in a community, the acquired knowledge must be passed on to other families.

In many cases, however, this advantage seems to be fading. Many respondents complained of not having anyone to take over their enterprises, their sons or daughters more attracted by salaries and other advantages that go with working in an institutional context (band council, economic development officer, etc.) than with taking over the family business. The lack of successors also limits growth ambitions, as entrepreneurs no longer feel they have the necessary support from those around them to undertake bigger projects. The same drawback applies to employees of the enterprise, whose salaries and duties pale when compared to jobs created through various reserve "development" support programs.

It is clear then that native claims for independence must be taken seriously: the most generous assistance and support programs inevitably involve detrimental effects as long as the First Nations have not acquired independent status and responsibility comparable to that of all Canadians.

CONCLUSION

This chapter dealt with the native entrepreneur as manager. It allowed us to clear up the image of native managers, who are depicted as negligent in many superficial studies. By studying it in its specific context, that of small family enterprises corresponding to one of the first three stages of development in Churchill's model, the effectiveness of native managers is no longer in doubt.

Negligence and failure seem to result more from the institutional context than the native people themselves. Provided they maintain their attachment to their source communities and stay within their specific entrepreneurial horizons, native owner-managers seem capable of using their knowledge and maintaining their enterprises as they and those around them intended.

Consequently, subjective factors, entrepreneurial horizon, awareness of goals and cultural synergy seem essential for ensuring success, whereas objective factors, such as assistance and support programs, which may indeed be generous, do little to prevent failures. The following chapter will allow us to explore these notions in greater depth based on our experience of Kuujjuaq.

NOTES

[1] Moreover, it is not clear that we can compare this phenomenon to that of "a wife working with her husband for the enterprise." For example, the owner and manager role for wives appears in no way strictly limited to support in most of the enterprises we visited.

[2] N.C. Churchill and V.L. Lewis, "Les cinq stades de l'évolution d'une SME [The Five Stages of Development of a Small and Medium-Sized Business]," *Harvard-L'Expansion*, Autumn 1983, pp. 51-63.

[3] *Ibid.*, p. 54. Our italics.

[4] *Loc. cit.* Our italics.

[5] *Ibid.*, p. 58.

[6] *Loc. cit.*

[7] On this matter, consult the more recent article of Churchill: N.C. Churchill and K.J. Hatten, "Non-Based Transfers of Wealth and Power: a Research Framework for Family Business," *American Journal of Small Business*, vol. 11, no 3, 1987, pp. 51-64.

CHAPTER VIII

NORTHERN PERSPECTIVES

As we have already mentioned, our initial research objectives only included three sites, selected according to specific criteria; remoteness was to play a predominant role among these criteria. Consequently, we first chose Wendake, Mashteuiatsh and Kuujjuaq.

However, both consultants and members of the initial research team felt some apprehensions about the choice of Kuujjuaq. The site itself was not lacking in interest, quite the contrary, but its very specific character differed from the first two locations: the two areas of comparison we wanted to verify through our selection of sites, namely, the effect of isolation and the effect of culture, were so different in the case of Kuujjuaq—further reinforced by a specific institutional context (James Bay and Northern Quebec Agreement)—that any serious comparative analysis would have been impossible. Therefore, we opted for Mingan, which was consistent enough with the Wendake-Mashteuiatsh axis that it seemed much more promising in terms of comparison and generalization.

However, the Northern question and its effect on native entrepreneurship left us far from indifferent. Also, when it appeared that financial resources were available, following the excellent cooperation of the three communities selected for the initial research project and with additional assistance obtained from the Quebec's SAGMAI and the Northern Research Fund of the Department of Indian and Northern Affairs, we decided to pursue the adventure and include Kuujjuaq in our study.

Was this a wise decision? In retrospect, we must admit that all the warnings we were issued were entirely justified. Penetrating the environment, as well as collecting and interpreting data proved very difficult, taking available resources into account.

Moreover, as we mentioned in chapter II, our methodology was an acceptable compromise between traditional participatory observation, which was too costly, and investigations through questionnaires, which would be necessarily superficial in the context. Strategic analysis would therefore allow us to adequately define the specific profiles of native entrepreneurship for the purposes of an exploratory study. These objectives appear to have been met for the first three sites, but Kuujjuaq proved decidedly more problematic: we must conclude that we undoubtedly would have needed a longer visit and less-hurried approaches to understand the nature of Inuk entrepreneurship and establish valid bases of comparison with its native counterpart.

Language itself presented a first obstacle, both for the Inuit themselves and for members of the research team. This problem does not allow for establishing a relaxed atmosphere between the researcher and his interlocutor, both of them speaking most often in a second language they speak poorly. Moreover, there is an ethnic gap in Kuujjuaq between people from the North and people from the South, White and Inuit, which can scarcely be bridged in several weeks of observation: the researcher then finds himself easily trapped into more accessible interviews with temporary residents who have come from the South to fill management or consulting positions in local organizations; discussions with true Inuit entrepreneurs are difficult and inaccessible in such circumstances and a more classical anthropological observation would undoubtedly be more appropriate.

In our case, these problems were intensified by practical considerations, such as lodgings, as reservations could not be guaranteed; the research team was therefore reduced in size and the on site visit of the main researchers was limited to the preliminary stages of the investigation.

In conditions such as these, it is easy to see that the validation methods inherent in our methodology no longer applied: discussions between the researcher and his interlocutor were reduced and limited, as well as the research team's analytical and hypothetical-deductive procedures.

Because of these difficulties, we finally decided not to include the community of Kuujjuaq in the comparative range of the first three communities, through fear of hasty generalizations and changes in perspective that could have weakened our conclusions and reflections instead of reinforcing them. The aim of this chapter, therefore, is not to present a monograph of Kuujjuaq, nor to specify the profiles of native entrepreneurship based on the analysis used for the other three communities. Instead, after a summary description of the environment and its socio-economic profile, we will identify elements which, according to this approach, seem to invalidate or reinforce the observations and reflections inspired by the first three sites.[1]

With this goal in mind, we will use not only data collected during the course of our research, but also data from the excellent work of Louise Lemire, of the Kativik Regional Government, who continued a preliminary study conducted by Michel Huot.[2] An important aspect of these works is that they involved a longer period of observation: they show an in-depth understanding of the environment, based on prolonged stays on the research sites themselves. Their conclusions helped us develop our own observations on the community of Kuujjuaq, as well as general considerations resulting from our study as a whole.

KUUJJUAQ: SUMMARY VIEW

We need not emphasize the fact that the Inuit are a very different ethnic group from natives, both in culture and tradition, and way of life. Similarly, the reader is undoubtedly aware of the fact that the Inuit became a sedentary people only very recently, during the early 1950s. Many Inuit people today were consequently born as nomads in igloos, a fact which necessarily influences collective behaviour. Nor will we be surprised that this collective memory is still scarred by the fur trade and the war between the great rival companies, especially the Hudson's Bay Company and the Revillon Company.[3]

Kuujjuaq was first a trading post, like most of the 14 Inuit villages bordering the sea. "The Great River" is located inland, 50 kilometres from the mouth of the Koksaok on the left bank. It is definitely the most populated site, with slightly more than 1,000 Inuit and some 250 foreigners from the South. Kuujjuaq is considered a regional administrative capital for all of Ungava, although Kuujjuarapik claims this title for the Hudson's Bay side.

This administrative character also leads to a high proportion of temporary residents or, in any case, people who have come from the South, compared to other communities. Similarly, the employment structure is deeply affected, since the governmental and parapublic structures offer work conditions which the local entrepreneur has difficulty competing with. They account for 60 per cent of the active population, with 238 jobs.[4] Moreover, the administrative character brings an abundance of services (health, education, etc.) to the Inuit community of Kuujjuaq which are quite exceptional for a community of its size and latitude.

However, the population has an age structure which is very broad at the base, dominated largely by young people under 18 years of age. Given their recent sedentarization, it is understandable that the education rate is very low among those over 35, compared to nearly 100 per cent for today's young people. In terms of health, recent studies and our own observations show problems we have already mentioned elsewhere that seem characteristic of populations that are isolated, experiencing pronounced cultural crises, and relatively idle. Alcoholism and drug addiction are rampant in Kuujjuaq as in all other communities of this type.[5]

Though partial contradictions exist from one study to another, the income level of Kuujjuaq's population is quite high, with more than $5,000 per inhabitant and nearly $30,000 per household annually. More than 80 per cent of this income derives from transfer payments and salaries, for which non-governmental native enterprises account for less than 20 per cent.[6]

As in all Northern communities, rates of unemployment, inactivity and under-employment are very high, affecting 10 per cent to 20 per cent of the active population[7]. These figures are even more tragic than they first appear, with the cohorts of young people that will enter a totally stagnant job market in coming years.

This summary portrait of Kuujjuaq would not be complete without a brief description of the institutional context imposed by the James Bay and Northern Quebec Agreement, and the laws resulting from it.

JAMES BAY AND NORTHERN QUEBEC AGREEMENT

Signed in November 1975, the James Bay and Northern Quebec Agreement came into effect in October 1977. In June 1978, it was followed by a series of laws establishing the administrative organization of Nouveau-Québec, in particular, the Kativik Regional Government, the Makivik corporation and the land corporations responsible for managing the lands.

The Kativik Regional Government has regulatory powers typical of a regional municipality, in addition to powers specific to the Northern context: it assumes an administrative role in fields such as health, social services, environment, education and economic development. This role does not preclude the existence of individual organizations in each of these sectors, such as a regional council on health and social services, a school board, etc. Naturally, Kativik is responsible for coordinating all these organizations, but this proliferation of structures necessarily leads to confusion and a considerable waste of energy, further aggravated by the various committees related to each one.

The Kativik Regional Government is managed by a council made up of elected members from each basic municipality. Its authority relates to land and not to ethnic group; although its directors are elected by a regional population more than 90 per cent Inuit, it cannot be considered an absolutely Inuit organization.

On the other hand, the Makivik corporation and the land corporations do indeed represent ethnic organizations, and their membership is restricted to Inuit beneficiaries of the Agreement.

The Makivik corporation is formed both as a kind of holding company and Ministry of the Economy. Its mandate primarily consists of managing and yielding profits from the collective benefits paid by Quebec and Canada to the Inuit for the transfer of rights and lands agreed to in the James Bay and Northern Quebec Agreement. Consequently, the Makivik corporation has a hand in many enterprises we visited in Kuujjuaq, such as Air Inuit, Kigiak construction and Sanak maintenance services. The company also operates in the political, social and cultural sectors, and contributes to the proliferation of structures.

The land corporations are responsible for managing the collective ownership of category I lands granted to each Inuk community. They regulate the use of land and issue development permits, thereby covering the two common fields of the first two organizations and each basic municipality. In fact, The municipalities have a government very different from Indian reserves and have essentially the same powers as municipal corporations in towns in southern Quebec.

At the time of the James Bay agreements, some Southern Canadians were shocked at the amount of compensation paid to several thousand Inuit inhabitants of Nouveau-Québec. Several years later, they should be more surprised that so many structures are necessary to manage so little money and for so few people, who are often absent from these official forums . . . .

ENTERPRISES AND ENTREPRENEURS IN KUUJJUAQ

In Kuujjuaq, a small community of barely 1,200 inhabitants with a maze of structures, we counted no less than 40 organizations, 25 of which are considered enterprises. However, some of these enterprises represent nothing more than empty structures, relays that will correspond to supply contracts guaranteed to the Inuit by governmental agreements, agreements which are quickly subcontracted to entrepreneurs who arrive from the South.

In fact, the entire economic functioning of Kuujjuaq seems characterized by a massive arrival of workers, professionals and entrepreneurs from the South, on a seasonal or annual basis, combined with a certain number of Inuit figures to respect the agreements. The Inuk is not unlike the French Canadian of the 1930s, 40s and 50s, who sat on the board of directors of unilingual English companies in Quebec. Of course, figures emerge, spokesmen for the community, who make a strong contribution to its economic and political development, as happened in that era of Quebec's history. But we must clearly understand that still today, on the whole, the Inuit are not truly in control of their destiny and their economy, at least in Kuujjuaq.

Kuujjuaq has at least four different types of enterprises. First of all, there are the "White" enterprises, such as the Hudson's Bay company (The Bay) or the Canadian Imperial Bank of Commerce. Cooperatives coexist with Makivik government enterprises. Finally, a dozen or so entrepreneurs personally manage about the same number of small businesses, concentrated especially in the sectors of outfitting and services. These enterprises clearly seem better rooted in the community and generate a significant number of jobs that are well adapted to the training of the local labour force.

For these enterprises, there appears to be an osmosis between the organization and its source community (immediate family, extended family or other), but it is quite different from what we observed among the natives. In Kuujjuaq, several large families preside over economic life and members of these families hold official positions in the various administrative structures in addition to their duties as directors of enterprises. We cannot draw any firm conclusions based on so short a visit but, in general, it seems that a clan spirit governs relations between the entrepreneur, his family and the community to a degree not observed in the three other sites. This power, held by several entrepreneurs and their families, is reinforced by feelings of belonging and solidarity, based on ethnic considerations and in spite of social differences. These enterprises are respected because they hire local labour and their directors do not pack up and head South if things go badly.

Being a successful businessman or businesswoman in Kuujjuaq leads to a role as community leader. Because of the resulting honours, responsibilities and official duties, new business opportunities then arise.

In terms of sectors, two enterprises are in the primary sector (commercial hunting and fishing) and, for all intents and purposes, the transformation sector is completely missing. However, we must note the large number of activities related to these sectors that are not exercised through enterprises (traditional fishing and hunting, gathering, domestic manufacturing of various objects). This means that there are potential ideas and business projects which, in an appropriate context, could have the same positive effects for the future of Kuujjuaq that we observed at the other three sites.

The tertiary sector dominates heavily. Moreover, it seems especially geared towards the needs of non-permanent residents: retail, restaurants, transportation and recreation exist more to serve employees who have arrived from the South, although the Inuit are increasingly adopting such modes of consumption, a trend even more pronounced among the young people.

This summary portrait of Kuujjuaq's enterprises and entrepreneurs certainly does little to unravel the economic mystery of the community. Who is the true Kuujjuaq entrepreneur: the White bureaucrat who has come from the South to fill a management position in an economic superstructure, or the Inuk who has powers in the same structure? The White handyman operating a small services business in a Northern environment, or his Inuk counterpart? The Inuk inspired by the cooperative tradition, even though he is not always as combative as the Inuk from Povungnituk? Or is it the entrepreneur-politician, juggling with massive projects on behalf of his community, in addition to managing his own interests and enterprises?

In some respects, many Inuit entrepreneurs correspond to both of these images, as even the competence and privileges of bureaucrats are not solely reserved for southern immigrants. Consequently, we see that contradictory paths of development coexist in Kuujjuaq, not only in the communities but in the people themselves, each generating a different type of entrepreneurial behaviour. In spite of such profound contradictions, it does not seem that these notions are truly competing. They coexist in a kind of fatality, and the Inuk entrepreneur often develops along several parallel paths, seemingly not inconvenienced.

But this may only be the good fortune of several individuals or families, able to live through this kind of ideological rupture and adapt to this maze of structures. It is not clear that this situation promotes the long term development of Kuujjuaq or allows for rapid absorption of the labour surpluses that today's youth will likely create.

CONCLUSION

As with the other communities, in the limited context of this study, we were not able to include traditional activities such as hunting, fishing or trapping to establish a list of entrepreneurial activities in Kuujjuaq. This was due to a lack of resources, much more than lack of conviction, as native trappers clearly deserve the title of entrepreneur just as much as the trucker-craftsman from the South, for example.

Nevertheless, for each of the sites, we perceived the influence of these traditional activities on entrepreneurship, and this influence tended to increase with the remoteness of the community. At Wendake, this effect was most obvious in the field of supplying, as even traditional materials are acquired there through commercial routes. In Mashteuiatsh, and especially in Mingan, supplying was itself the source of business projects. Materials are acquired there directly through nature, more than through commercial routes.

These procedures are further reinforced in Kuujjuaq, although, as we saw in the other communities, these activities tend to be abandoned in favour of economic behaviour fostered by the dominant culture. We have already pointed out that continued association with traditional activities could provide business ideas adapted to the cultural development of the Inuit of Kuujjuaq.

Similarly, Louise Lemire specifies in her study that more than one-third of the area's population has already thought of going into business. Lemire believes that this potential for ideas and interest in enterprises must be encouraged through concrete measures, as the source of public sector jobs is now running dry; moreover, the conditions offered in the public sector tend to further increase the gap between active and inactive people, and high-income families and those living mainly off transfer payments. Overdevelopment of the public sector could therefore generate extreme tensions in the community, in addition to creating an employment vacuum for younger generations.

Louise Lemire's study points out that the most popular business projects are in the field of personal and commercial services: clothing stores, crafts stores, repair shops, etc. Other sectors chosen are more related to southern culture: convenience stores, video arcades, etc.[8]

These conclusions reinforce our own interpretation of Kuujjuaq's entrepreneurial situation and confirm some observations that issued from our study of Wendake, Mashteuiatsh and Mingan. Two elements are especially expressive in this regard: on the one hand, the rooting or osmosis between enterprise and community and, on the other hand, the choice of development models that are open and adapted to each community's character.

Attachment of the native enterprise to its environment and, more precisely, osmosis between the enterprise and its source community, appear not only as characteristics of native entrepreneurship but as the primary conditions of success. In Kuujjuaq itself, it would undoubtedly be worthwhile to combine the the expressed interests of the population in traditional activities, on the one hand, and going into business, on the other. Resulting business projects would then be better adapted to the community's real character and more likely to generate the type of moral support and solidarity which lead to success for so many entrepreneurs in Wendake, Mashteuiatsh and Mingan.

This question is closely related to the question of development models. Our experience of Kuujjuaq shows that the desire to accelerate history is limited; as we observed to a lesser degree in the other communities, a dense institutional context and the support it provides are not enough to truly ensure the development of communities. On the contrary, it also includes some significant detrimental effects: money returns to the White economy through one channel or another, and transfer payments and their resulting dependence move from the individual to the collective level.

This conclusion does not suggest that native people should not be compensated for the harm done to their way of life through development of territorial resources. Instead, it reminds us that this practice only represents compensation and is not a substitute for independent development. Moreover, such compensation must not involve administrative paths which limit or inhibit development opportunities. Structures that are too large and too cumbersome cause the local population to branch off in various directions; bureaucrats, training levels, types of competence and income scales all heighten the social and cultural divisions.

Once again, in carrying out a modest study on native enterprises, we find ourselves faced with the conclusion that such enterprises, following the example of native institutions, cannot develop harmoniously if certain claims are not satisfied. Sponsorship and guardianship, no matter how generous, do not lead to independence.

The James Bay and Northern Quebec Agreement has turned the Inuit of Nouveau-Québec into "beneficiaries", the official term in the Makivik statutes. In Quebec, this term should generate some reflection; it has always been used by technocrats who believe they know better than the citizens themselves what the citizens really need.[9]

Nevertheless, this institutional influence is unavoidable, at least in the near future. This is why Kuujjuaq, and the other native communities we observed, needs to implement pluralistic and tolerant development models. Though we discovered some dynamic native enterprises during our study which are well adapted to their environment, we must not conclude that one particular form of entrepreneurship is the only possible development path. Instead, it must be ensured that all the existing formulas, from the State-owned enterprise to the family enterprise, develop in such a way that their practices and existence do not endanger the survival and development of other paths being followed in the community.

Despite an observation period that was too short and investigative methods that were inadequate for this type of environment, our study of Kuujjuaq appears to confirm some conclusions from previous chapters and leads us to a more general conclusion.

NOTES

[1] The on-site investigation at Kuujjuaq was left to Claire Bibeau, of the Université du Québec à Trois-Rivières, and to Garry Umbrich, of Laval University. Mr. Umbrich wrote a master's thesis on the subject, based on his own observations, dealing with the problem of personnel in the area's organizations. Despite this specific perspective, the document includes description and analysis of enterprises, which the reader may consult. See: G. Umbrich, *Staffing Organization in Kuujjuaq: Entrepreneurs and Their Future in the Economic Development of One of Kativik's Regional Centers*, master's thesis, MBA-Management, Quebec, Laval University, 1987.

[2] L. Lemire, *Répertoire des ressources humaines, rapport final [Directory of Human Resources, Final Report]*, Kativik Regional Government (manpower section), Kuujjuaq, March 1987; M. Huot, *Répertoire des ressources humaines 1986: rapport préliminaire [Directory of Human*

Resources 1986: Preliminary Report], Kativik Regional Government, April 1986.

[3] Professor Jean-Jacques Simard makes an eloquent record of the durability of these collective memories in his doctoral thesis, *La révolution congelée: coopération et développement au Nouveau-Québec inuit [The Frozen Revolution: Cooperation and Development in Inuit Nouveau-Québec]*, Quebec City, Laval University, 1982.

[4] Lemire, *op. cit.*, p. 60.

[5] See Foggin, for example, who points out that 43 per cent of accidents are alcohol-related, a figure which increases to 51 per cent when alcohol is associated with certain activities (snowmobiling, hunting, etc.). P.M. Foggin, *Statut de santé et facteurs de risque: les Inuits du Nouveau-Québec [Health Status and Risk Factors: the Inuit of Nouveau-Québec]*, University of Montreal, Geography Department, 1984. A recent study by the North Shore CRSSS reports the same problem in White villages of the Lower North Shore.

[6] D. Beaulieu, *Les Inuit du Nouveau-Québec: leur milieu socio-économique [The Inuit of Nouveau-Québec: Their Socio-Economic Environment]*, Quebec City, Government of Quebec, SAGMAI, 1984. The figures mentioned are drawn from this study and then adapted based on our interviews on the actual research sites.

[7] Lemire, *op. cit.*, p. 50 and foll.

[8] Lemire, *op. cit.*, p. 70 and foll.

[9] We have already raised this problem of terminology in a previous study on the decentralization of the health and social affairs network. See: H. Bherer, J. Godbout, L. Brassard and J. Turgeon, *Le Miroir magique de la décentralisation [The Magical Mirror of Decentralization]*, Quebec City, ministère de la Santé et des Affaires sociales, December 1986.

SOME REFLECTIONS

For too long now, White society has maintained a very incomplete image of aboriginal Canadians from school texts: reddened axes around the neck of Father Brébeuf, heedlessness, pagan nudity, bizarre customs, a whole ideological mishmash so aptly expressed in the term "Savages". These images overshadowed the many positive and even very admiring passages on Indians of the first chroniclers; they concealed from us how much the White colonies were seduced by the customs of the first inhabitants and veiled the rate at which certain Frenchmen were assimilated to Indian civilization. They also overshadowed the high degree of social organization, both within each nation and in relations between nations.

These images remain so strong that even eminent specialists on Indian matters are still influenced by them to this day. For example, certain studies attempt to re-establish a complete picture of the First Nations, with their nobility of character and the misery of a difficult life, adapting to the environment and their efforts to survive from it, the cruel practices, like those of indulgence and easy adoption which governed relations with the prisoners, while during that era in "Christian" nations, hostages did not have the same opportunity. However, at the same time, through an effect of reverse Rousseauism, native people were assigned virtues which are simply the opposite of what is considered reprehensible among Whites: the Indian qualities of sharing, respect for nature and nobility of the soul, appear all too often as the opposite of materialism, overdevelopment of resources and mundaneness, so prominent in our own society. Such descriptions begin with the idea of two worlds, separated by a gap that cannot be bridged, and undermines the very concept of cultural itinerary.

The First Nations are said to have had no writing, despite their mastery of the hieroglyphic technique. Though the materials on which these signs were written—birch barks, trees—did not allow for them to survive through the ages, the records of the first chroniclers give sufficient assurance of the ability of native people to store and transmit information, and to establish treaties and agreements in writing.

The technique of wampum, similar to that of the Inca quipu, is another way of recording in time the treaties and official agreements between natives. Douville and Casanova emphasize the following:

> The uses of *wampoum* are numerous. Indian money, it is used for barter, even for obtaining European money. Consequently, six white pearls and three black ones are exchanged for one penny at Albany. The majority of Indian tribes use it to create ownership titles and peace contracts, as archives for preserving the dates of great events, as a patent of nobility, even for buying back a murder to repay the victim's relatives. The great Iroquois charter is written in hieroglyphic characters, based on geometric designs in coloured mother-of-pearl.[1]

Closer to our time, another specialist on native matters, Professor Denys Delage of Laval University, mentions the preparatory effect which the systematic practice of sharing and gifts had on the circulation of wealth.[2] Further on, he shows that, beginning with the arrival of Whites, trade between tribes had already begun to generate certain forms of inequalities, with certain families appropriating trade routes discovered by their family members:

> This right gave rise to an inequality in the acquisition of commercial products, an inequality that was countered

> at the consumption level by a whole series of measures leading to redistribution. But in the long term, the development of trade implied that there was more redistribution (trade) than sharing (production). Even though redistribution ensured sharing afterwards, it still showed latent tendencies towards social inequality. In fact, it conferred on those with greater wealth (individuals, lineages) a prestigious symbol unattainable for other members of the society, those not having access to the same wealth. Moreover, the possibility arose for the wealthy not to redistribute their wealth.[3]

These elements show that too much discontinuity was introduced into the Weberian axis of *Gemeinschaft-Gesellschaft*. Despite these two types of ideal society, we must not forget that in practice, and not only in North America, a single people as a whole can be positioned between these extremes; but what is more complex and more interesting is that anthropological research has also shown that a single people may preserve certain community customs, combined with *Gesellschaft* manners.

Consequently, it is not that far from wampum to letters patent and the very existence of such artifacts among the natives signifies that a certain formalization of relations and exchanges was not foreign to their culture, even before the arrival of the White man. Sharing thereby lost its Rousseauist implications of heedlessness and generous gratuity and itself became a true "economic" structure, moving from trade to treaties and agreements.

We may conclude, then, that the creation of enterprises which are more or less classical in management and organization does not simply represent a cultural reversal, a rupture or a process of assimilation to a foreign culture. In addition, as we saw in chapter II, the very concept of enterprise cannot be limited to the notions of "firm" or "establishment" that we often restrict them to. From wampum to letters patent, and from adventure to enterprise, there is room for cultural progress, while respecting underlying identities.

It is not surprising, therefore, that native identity becomes even stronger, expressing itself today in the enterprises we visited, strongly attached to the source community and proud of contributing, in its own way, to the affirmation of its ethnic group.

This reasoning is not meant to obliterate a well-established anthropological tradition which, through prestigious contributions such as those of Mauss or Levi-Strauss, postulates a profound and essential difference between societies in which trade is based on giving and others which allow for the accumulation of wealth, with distribution based on a more or less objective assessment of "work". According to this postulate, native entrepreneurship would be a cultural rupture, undoubtedly; so would the circulation of money, and today's current sedentarization, food and clothing—changes which destroy the original culture and attack the very roots of native identity.

In this modest study, it is not our place to try and resolve this debate. We will content ourselves with assuming responsibility for a contrary opinion: the adaptations of the native culture since the first contact with Whites are neither the result of spontaneous generation, nor an assimilation, pure and simple. Which means that through often painful crises, the arbitrary nature of colonial power and certain actions resembling genocide, native culture has evolved on the basis of its own knowledge and not simply with respect to external constraints. By using the potential inherent in the original culture, the underlying native identity was preserved.

We prefer to adopt a perspective of continuity and cultural synergy, a point of view which does not deny that the ancient culture was replaced by another one. This interpretation simply sees in the new culture far more than assimilation, a renunciation; it also perceives in it a heritage, a continuity, an authenticity, in short, a native identity, from that point on having different forms of expression and ways of life. The enterprise then becomes an element of native culture and, as our research shows, finds in its turn a specific character in this society. Therefore, this specific character of native enterprises is an important cultural asset, in which we may still perceive certain aspects of the ancient society's distribution of power and wealth.

The title of our work itself must therefore be taken with caution; in fact, wampum and letters patent are two styles of concretizing certain social relations, and perhaps the progress of one towards the other leads native people towards some particular form of capitalism. Do we not admit today, after a century of dogmatism, that social formations based on this economic system have been vastly different from one another throughout their various historical stages? Native entrepreneurs, whether individual or community, are perhaps moving towards a certain form of capitalism, which we in turn might profit from. In any case, they are marching on the path of enterprise and management, as our work has shown.

After presenting the objectives, risks and method of our procedure, we discovered three sites of observation with specific characteristics: Wendake proved itself to be the capital of the Huron-Wendat nation and the individual enterprise; a strong family tradition coexists there with emerging forms of more classical entrepreneurship. Mashteuiatsh is experiencing the conflict between community development and family enterprise. Mingan, on the other hand, appears as an economy dominated by community spirit.

Some significant common elements became clear. First of all, the vitality of these three communities and the actual number of enterprises, compared to White villages in their areas. Next, the profound attachment to the source community for enterprises not respecting the family or community model. Finally, in terms of the goals of entrepreneurs, we noted a realistic growth horizon, which took human experience into consideration. With great devotion, never counting their hours, with an unfailing love of their product and proud to be participating in Indian success, natives confirm their need for "time to live" and time to spend with their loved ones.

Rather than market imperatives and opportunities, this attachment to the community and love of life determine the enterprise's size and growth horizon. Ideally, it must be able to provide adequate work and income for those involved (immediate or extended family, close friends) and for interested descendants. This situation must be achieved without overdevelopment of the labour force: the native entrepreneur does not count his hours, nor those of his associates, but the pace of work is humane and allows for communication. The native enterprise is therefore an expression of community life, an extension of the community itself, which manifests and confirms its "meta-economic" character.

Nearly all enterprises not conforming to this model go through major crises, related to legitimacy and functioning. For example, the fish plant in Mingan has no community roots and the pace of work at the plant is contrary to the native way of life.

Despite its economic importance for the reserve, there is no attachment, devotion and pride felt towards it that is so pronounced in other enterprises conforming to our three profiles: family, SME, community. It would be useful to modify the rate of production of this plant; although the supplying of fish remains a major constraint, as well as the equipment's transformation capacity, we observed that the Indians must adapt to the plant, while the plant rarely adapts to them. Relations are deficient between this enterprise and the community it purports to serve.

Similarly, Wendake still remembers the grandiloquent episode of the snowshoe industry: in their own words, entrepreneurs allowed themselves to be convinced by Departmental representatives and external consultants of the need to penetrate the European market, which turned out to be an illusion in the end. If such opportunities did arise, they could undoubtedly be developed on the basis of small production units, closer to families and individuals. Over the course of this study, we gained the conviction that enterprises which are too big will necessarily be marginalized and even exiled outside the reserves and communities.

After the snowshoe experience in Wendake, a report by consultants mentions, among various causes of failure, the lack of qualified management and production staff, and the constraints on producers. In Wendake, this study was seen as depicting Indians as bad managers. This is not our interpretation. Nevertheless, it seems clear that this report responds to a logic of administrative rationality, which does not take adequate heed of the native entrepreneur's original character. Rationalizing production into larger and better "organized" units, and the planned diversification of products are good advice from a theoretical perspective and the point of view of modern enterprises. However, it seems dysfunctional when applied to native culture, and especially to the family culture of Wendake.

We can easily imagine how difficult it is for management specialists to avoid this trap of detrimental growth and rationalization. In many respects, the characteristics of the native enterprise resemble the functioning of other organizations: alternative enterprises, family enterprises, etc.[4] We willingly accept that, in the context of the dominant economy, these enterprises appear marginal and, in order to survive, they must move towards the "current" model. Very few studies and authors, both practitioners and researchers, avoid this penchant for modernity, defined as a management technique, even when they know that members of the enterprise wish to do "otherwise", to develop new choices.

Native enterprises, just like their White counterparts, which they evoke through certain aspects of their functioning, therefore appear to be "behind" or "marginal" with respect to a dominant model, and it is thought that success will come if they emulate this model.

This perspective is no less erroneous: on one hand, it judges the future based on current models, thereby closing the door to possible alternatives; on the other hand, it assimilates the native enterprise too quickly to marginal "White" enterprises (very small, very family- or community-oriented). As we discussed in chapter VI, there are no "copyrights" on the characteristics of enterprises. Specificity does not mean exclusive rights. The native enterprise we have portrayed may very well adopt practices that are current in more familiar enterprises. This in no way diminishes its originality, as long as the specific development and modulations remain. Attachment of native culture to its source community appeared to be an *experience*, whereas it is often only a *project* in the community and alternative enterprises we studied elsewhere. It stems *directly* from a culture geared towards sharing, and not from a *reaction* to a culture geared towards accumulation, a typical reaction of many alternative entrepreneurs. Finally, the operating mode of enterprises and the world view (*Weltanschauung*) of entrepreneurs cannot be assessed strictly in terms of an ideal model, or worse, a manual: they must also be related to a context, both internal and external. We must also take into account the specific elements of a business project, and the will and basic orientation of its members. We must also asses the economic and social situation in which the organization is developing. Rationalization and growth of an enterprise cannot be defined in isolation, removed from community values, without leading to problems of rooting, as in the case of the Mingan fish plant or the economy of Kuujjuaq.

Kuujjuaq provides other examples of the maladjustment of large industrial or bureaucratic structures. Our conclusions must certainly be taken cautiously: perhaps they stem from the fact that, during our research, we visited more small, dynamic organizations. On the other hand, we did not neglect the study of large enterprises or bureaucratic superstructures when they were in place. We must therefore note the marginalization and slight influence of such initiatives.

We found everywhere that smaller projects, related to the abilities and skills of the family and community or traditional culture, generated much greater commitment and investment from people. When we consider this reality and the size of the communities, we can only be sceptical when considering large projects and the supposed advantages of "poles of development". Very often, these structures result in White mercenary organizations, employing several token native people in management and for production purposes, hiring workers who are ill-adapted to this type of environment and have no real opportunities for advancement. This severe judgement obviously does not apply to the people themselves, who are mostly very devoted and sincerely want to contribute their talent to the independent development of native people. It exclusively concerns the artificial character of large projects in these small communities, whose members live in a culture that is incompatible with the rationalization and depersonalization of the production modes and communication typical of large organizations.

It appears to us, therefore, that for several more years, as long as certain problems related to health, education and territorial rights have not been settled, native entrepreneur and all economic development leaders would benefit from avoiding theoretical models; the growth rate and the nature of projects must be adapted to the capacities, desires, resources and actual dimensions of communities.

Love of the product, organization of work, the desire to perpetuate traditions and profound ties to family and source community must therefore be considered the true source of competitive advantages open to native entrepreneurs compared to their White counterparts: organizations that start up without respecting the creative and motivating potential of these basic elements will either vegetate or perish.

Despite the attraction of these "modern" management models, native entrepreneurs are more compelled and motivated by the workshop than the office; is not the office a place of isolation, compared to the workshop where spouse, parents and old acquaintances are working? Will not the administrative work lead to evenings of discussion with spouse and children, discussions with a daughter-in-law who has taken a bookkeeping course, or clarifying situations together and then deciding on which course the enterprise should take?

Without lapsing into romanticism, it seems illusory to want to accelerate the "modernization" of native management at all costs. The institutional context already has puts enterprises in relation with the Department and other authorities and, consequently, contributes to structuring certain elements of management. However, nearly all entrepreneurs state that they submit to this type of bureaucratization against their will; they feel as though they are betraying the very idea of their enterprise. All those who have abstained from obtaining such assistance are proud of the fact.

We can obviously not conclude that total "laissez-faire" is needed from the Department or the band council. However, in the absurdly bureaucratized world of native institutions, it would undoubtedly be worthwhile to better define interventions according to entrepreneurs and communities, and pay greater heed to the culture than the theoretical management textbook. The considerable efforts that have been made and which continue today could then produce more positive results. Is it better to have control over the use of funds and methods for managing projects at the risk of killing the spirit of the enterprise in its infancy? This option only leads to development supported by grants and subsidies.

It would undoubtedly be better to leave more freedom to bands and entrepreneurs themselves in managing financial assistance and consulting. This problem may appear insoluble in the current situation, and profound changes of philosophy, combined with institutional reorganizations, will be necessary to achieve it. Several examples will allow us to better appreciate this point of view and make some relevant suggestions.

Through this study, we have discovered, especially in remote areas, that problems of education and health have a major influence on entrepreneurship and development in general. As in the rest of the country, specific programs for educating and training adults have been implemented to fill the gaps in the basic system. Training programs in business management are also accessible to native people—particularly young people—who plan on starting up an enterprise. The idea is excellent, but program delivery could be improved.

All too often, these entrepreneurial candidates must leave home for weeks on end during training sessions and live in urban centres in southern Quebec. There, in principle, they acquire the necessary skills for starting up and managing their enterprise. But the instructors are often unfamiliar with the native environment so that, despite all the good will of the organizers, these "practical" courses take on an entirely theoretical and "detached" quality, with most examples and illustrations having nothing to do with the participant's experience of his environment. The many laudable and sincere efforts of the organizers and educators to obviate these difficulties by calling on the experiences of native entrepreneurs do not counterbalance this structural flaw.

Moreover, a business plan cannot be developed outside the environment where it will be set up: not only must important, concrete information about resources and demand be interpreted directly from the environment, but the environment presents the most determining solidarities and obstacles. A business plan cannot be developed *in cubito*, even less so a native business plan; otherwise, it will lose its character as a working guide for the potential entrepreneur.

Faced with this situation, native organizations have conceived of other solutions, such as individualized consulting and setting up mini-incubators in each environment. This solution seems much more realistic, though it generates additional costs in the beginning. The potential entrepreneur could then develop his project at his own pace and use the available resources where necessary. The consultant—or mini-incubator resource person—could meet with candidates, make information available and assist entrepreneurs who are already working. This method would have greater chances of success as it would have more respect for the culture of native entrepreneurs as we described them in our study. Any integral transposition of intervention modes, for example, scholarly, professional, MBA, public accountant or other administrative gurus, should play a secondary role with respect to what creates specificity, the fundamental driving force of native entrepreneurship, in other words, the growth horizon, attachment to the environment, love of the product and the nature of business projects.

Moreover, it would be useful to apply this type of philosophy more to the entire educational system. It seems that it was not only the French who amused and annoyed the Blacks by making them recite "Nos ancêtres les Gaulois [Our ancestors, the Gauls]". The modernization of schools, the development of language courses and native cultures, and a certain modulation of the education rate is not enough. Since Canada lives in a dual society with its native people in any case, it would undoubtedly be preferable to assume this difference and stop regarding White school as a privilege that all Canadians have a right to.

Here again, we set off on such paths of reflection with great modesty: the limits of this study and its objective do not allow for drawing conclusions that apply with equal relevance to all institutions surrounding native life in Canada or Quebec. However, when our on-site observations about these matters are confirmed by the majority of serious studies and the claims native people themselves have been making for years, we must emphasize the influence of such problems on enterprises and their success.

In this regard, school seemed to be a fundamental institution. Thanks to school, young native people now find themselves at the crossroads of their acculturation. The program of studies, fee structure, the need to leave home for certain disciplines, contrasted with the boredom of on-site learning or "detached" knowledge are all causes for identity crises and marginalization. Is this not precisely where the choice of paths referred to by Professor Kurtness comes into play? Having been through the necessary apprenticeship of reading and arithmetic, native school could facilitate the choice of the cultural synergies axis by freeing itself much more from the White society model.

The existence on site of human resources for training and educating adolescents and adults should lead the way to obtaining facilities and personnel "holding a teaching permit from Quebec's ministère de l'Éducation". This option must be considered, especially for remote communities, whose small size and geographic situation affect the orientation and usefulness of traditional schooling. It is abnormal for the success rate at school to be measured by access to secondary school, CEGEP and university, all terms that are synonymous with temporary or permanent exile for native people. Here again, we should think instead of bringing in and producing in the native environment, on the reserves themselves, competent human resources, equipped with modest means. To minimize the risks of disintegration, it is best for the mountain to come to Mohammed.

To a certain extent, this model of assisting native people by sharing their way of life, and by adapting to their pace, is that of the evangelical missionaries, to a certain extent, and some may find it ridiculous. Yet the religious practice still animating native people today, to the point of representing a cultural characteristic in the secularity of Canadian society, shows that the only possible path, and the least-costly one in the medium term, is to follow the native people themselves.

Based on these small steps forward, small schools next to large institutions, humble enterprises next to our multinationals, native people will be able to develop their true identity, that of a great people. Professor Kurtness confirms this as follows:

> One thing is certain: economic, educational, political, and cultural development must begin with real people at the psychological and cultural levels. Priority could be granted to an inventory of resources and the human potential of Amerindians. What behaviour, attitudes, abilities, strengths and potential of individuals and groups could be an asset in this huge effort needed to cut the umbilical cord of dependence?[5]

Perhaps accused of attempting for too long to uproot the native flower from the country, combined with certain citizens who willingly continue to do so, too many sincere Canadians commit themselves to the same action, in the interest of speeding up the process. These petty attitudes often do not to take into account the tenacity of native people and the impressive number of their victories, both large and small.

In concluding this study, we hope to have contributed to a better understanding of the merit of native entrepreneurs and enterprises. The obstacles to be overcome, both theoretical and practical, have already been presented; they also represent an appeal to modesty in stating our conclusions. Other studies will be needed, dealing with larger samples or extending beyond a single province. In particular, it might be worthwhile to go further into the study of Northern perspectives; a complementary study would need to be carried out on a community such as Waswanipi, which has experienced a remarkable economic boom since it came under Cree and Naskapee law, and hence subject to the Indian Act, by virtue of the James Bay and Northern Quebec Agreement.

We hope this study will facilitate the initiation of such complementary studies. Nevertheless, as emphasized so often by native people themselves, the time for studies alone has passed; enough aspects of the native situation have already been analyzed for us to begin correcting the most visible and dysfunctional inequalities.

During our study, native entrepreneurs themselves responded, in a very eloquent manner, to a fundamental and determining question, both for carrying out further research and for initializing effective and concrete development actions. Now it should be more difficult to deny that the enterprise represents a category of analysis and action entirely adapted to native society, as soon as we stop evaluating it with our own standards.

In the variety of their profiles and situations, native enterprises already present an original model, which must be respected for what it is. This is a major contribution native people have made to the development of their specific identity, to Canadian society as a whole and to all those concerned with economic development while respecting consciences and cultures.

NOTES

[1] Douville and Casanova, *op. cit.*

[2] D. Delage, *Le pays renversé: Amérindiens et Européens en Amérique du Nord-Est, 1600-1664 [Inverted Countries: Amerindians and Europeans in Eastern North America, 1660-1664]*, Montréal, Ed. du Boréal Express, 1985, pp. 64-65, for Huronia.

[3] *Ibid.*, p. 67. Professor Delage concludes this section as follows: "In short, though the principle of inequality still prevailed at the material level in Huron society and also, it seems, in relations between trading partners, the latent forces leading to relationships of subordination were nevertheless already present. Later, the fur trade would play on this contradiction, activating these latent forces and destroying this tradition of ancestral equality (p. 68)."

[4] For example, we may, refer to the contribution of N.C. Churchill and K.J. Hatten, *op. cit.*

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[5] Kurtness, *op. cit.*, p. 127.

POSTSCRIPT

The Reserve (*zapovednik*)[*]

On a reserve, I can't remember which one
There was a goat, with long horns,
Though he lived with wolves, he did not howl with them
He bleated out songs, goat songs,
He chewed on grass and fattened up
And never uttered a nasty word.
He was about as useful as a poultice on a wooden leg
But he didn't cause the slightest harm
He lived on his meadow, next to a lake
Without trespassing on the property of others.
But the modest ibex was noticed
And was made into an emissary goat.
For example, if the bear, the mischievous spoilsport,
Insulted someone with his bearish light heart
They sought out the goat, brought him, and they
Beat upon his horns, between his horns,
And he, the grey ibex, did not resist the violence
He took his blows cheerfully, with pride.
The bear himself said: Hey, guys, I'm proud of the goat.

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[*] Text and music by Vladimir Vissotski, translated into French by Michèle Khan, Moscow and Paris, 1981, Harmonia Mundi album.

He's a real hero, this crazy goat!
They looked after him, as though he was an heir
And a law was laid down in the forest:
Do not allow the emissary goat
To leave the reserve.
The goat kept jumping like a kid,
But, in secret, he performed pranks
One time, he knotted his goatee
And, from behind the bushes, he called the wolf a bastard
And when he was used once again as an emissary
When the wolves had attacked
He growled haphazardly like a bear
But nobody paid attention to him.
While the fawns fought amongst themselves
The idea sprang forth on the reserve
That the dear emissary goat
Was worth much more than the bears and foxes.
The goat heard of this and was delighted
—Hey you, he cried, the brown, black and white,
I'm going to deprive you of your special rations for wolves
And your bear privileges
I'll show you what a goat face is
I'll put you all in your place
I'll wind you all around my horns and shake you up on the trails
And I will make your reputation in the world.
Many of you will have dirt to chew
You will all die off without absolution
I am the one who must absolve
The one you held responsible for every sin.
On a reserve, I can't remember which one,
A goat now leads the dance
He who lived with the wolves, has begun to howl with the wolves
And growl like the bear.

APPENDIX

INDIAN ACT

Article 83

(1) Without prejudice to the powers conferred by section 81, where the Governor in council declares that a band has reached an advanced stage of development, the council of the band may, subject to the approval of the Minister, make by-laws for any or all of the following purposes, namely,

Money by-laws

(a) the raising of money by
   (i) the assessment and taxation of interests in land in the reserve of persons lawfully in possession thereof, and
   (ii) the licensing of businesses, callings, trades and occupations;

(b) the appropriation and expenditure of moneys of the band to defray band expenses;

(c) the appointment of officials to conduct the business of the council, prescribing their duties and providing for their remuneration out of any money raised pursuant to paragraph (a);

(d) the payment of remuneration, in such amount as may be approved by the Minister, to chiefs and councillors, out of any moneys raised pursuant to paragraph (a);

(e) the imposition of a fine for non-payment of taxes imposed pursuant to this section, recoverable on summary conviction, not exceeding the amount of the tax or the amount remaining unpaid;

(f) the raising of money from band members to support band projects; and

(g) with respect to any matter arising out of or ancillary to the exercise of powers under this section.

(2) No expenditure shall be made out of moneys raised pursuant to paragraph (1)(a) except under the authority of a by-law of the council of the band. R.S., c. I-6, s. 83.

Article 87

Notwithstanding any other Act of Parliament or any Act of the legislature of a province, but subject to section 83, the following property is exempt from taxation, namely,

(a) the interest of an Indian or a band in reserve lands or surrendered lands; and

(b) the personal property of an Indian or a band situated on a reserve.

(2) No Indian or band is subject to taxation in respect of the ownership, occupation, possession or use of any property mentioned in paragraph (1)(a) or (b) or is otherwise subject to taxation in respect of any such property.

(3) No succession duty, inheritance tax or estate duty is payable on the death of any Indian in respect of any property mentioned in paragraphs (1)(a) or (b) or the succession thereto if the property passes to an Indian, nor shall any such property be taken into account in determining the duty payable under the Dominion Succession Duty Act, chapter 89 of the Revised Statutes of Canada, 1952, or the tax payable under the Estate Tax Act, chapter E-9 of the Revised Statutes of Canada, 1970, on or in respect of other property passing to an Indian. R.S., c. I-6, s. 87; 1980-81-82-83, c. 47, s. 25.

Article 90

Property deemed situated on reserve

(1) For the purposes of sections 87 and 89, personal property that was

(a) purchased by Her Majesty with Indian moneys or moneys appropriated by Parliament for the use and benefit of Indians or bands, or

(b) given to Indians or to a band under a treaty or agreement between a band and Her Majesty,

shall be deemed always to be situated on a reserve.

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L'indépendance de l'Institut est assurée par les revenus d'un fonds de dotation auquel ont souscrit les gouvernements fédéral et provinciaux, ainsi que le secteur privé. L'Institut obtient en outre des subventions et des contrats de la part des gouvernements, des entreprises et des fondations, pour soutenir les activités de ses programmes et pour mener à bien des projets de recherche particuliers.

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Wampum and Letters Patent:
Exploratory Study of Native Entrepreneurship

by Harold Bherer, Sylvie Gagnon & Jacinte Roberge

Is the enterprise as we know it, with its imperatives of profitability, foreign to native culture? Will the native entrepreneur, whether individual, family or collective, be marginal? Our initial responses tend to be affirmative. However, thanks to their solidarity and sense of organization, native people have now acquired the necessary tools for economic prosperity and ultimately their independence. This work presents some of these findings. It deals with native enterprise and, in particular, with its most important resources: the entrepreneurs themselves, their families, and their home communities.

To clarify the complex question of native entrepreneurship, the authors chose three observation sites: Wendake, Mashteuiatsh and Mingan. Through these communities, they give us a view of the aboriginal people and show how their enterprises present an original management model. This is a major contribution by natives to the affirmation of their identity, to Canadian society as a whole and to the reflections of those who are concerned with economic development which respects consciences and cultures.

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